



Quarterly Performance Report April - June 2013

Investment Enabling Environment (INVEST) Project

Submitted to:

Mr. John Avila, Contracting Officer's Representative
Office of Economic Development and Governance
U.S. Agency for International Development/Philippines
under Contract No. AID-492-C-11-00005
(Output No. 4.2, Deliverable 4, Component 3)

August 2, 2013

By Orient Integrated Development Consultants, Inc. (OIDCI)
FSS Building, 89 Scout Castor Street, Quezon City,
Philippines Tel No.: 374.0757; Fax. No. 413.2326

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LIST OF ACRONYMS AND ABBREVIATIONS

APEC	Asia-Pacific Economic Cooperation
BFP	Bureau of Fire Protection
BOC	BPLS Oversight Committee
BOI	Board of Investments
BOSS	Business One-Stop Shops
BPCCI	Batangas Province Chamber of Commerce and Industry
BPLO	Business Permits and Licensing Office
BPLS	Business Permits and Licensing System
BPI	Bank of the Philippine Islands
CBF	City Business Forum
CDA	Cooperative Development Authority
CDI	Cities Development Initiative
CDO	Cagayan de Oro
COC-Phinma	Cagayan de Oro College Phinma Education Network
COMPETE	Advancing Philippine Competitiveness
COR	Contracting Officer Representative
CPA	City Program Adviser
CSC	Civil Service Commission
CSO	Civil Society Organization
CTI-PFAN	Climate Technology Initiative – Private Financing Advisory Network
CTO	City Treasurer's Office
DA	Department of Agriculture
DBP	Development Bank of the Philippines
DILG	Department of the Interior and Local Government
DOT	Department of Tourism
DPWH	Department of Public Works and Highways
DTI	Department of Trade and Industry
eBPLS – TWG	eBPLS Technical Working Group
EO	Executive Order
FGD	Focus Group Discussion
GAP	Gender Action Plan
HLRTD	High-Level Roundtable Discussion
IBC	Iloilo Business Club
ICT	Information and Communications Technology
ICTIPB	Iloilo City Trade and Investment Promotions Board
ICTO	Information and Communications Technology Office
IFC	International Finance Corporation
ILED	Iloilo Economic Development Foundation
INVEST	Investment Enabling Environment
IPC	Investment Promotions Center
IRO	Investment Relations Office
ISSP	Information System Strategic Plan
ITSD	Information Technology Services Division
JMC	Joint Memorandum Circular No. 1, series of 2010
LEIPO	Local Economic and Investment Promotion Officer
LGSP-LED	Local Government Support Program for Local Economic Development
LGU	Local Government Unit

LIIC	Local Investment Incentives Code
LOE	Level-of-Effort
LRC	Local Revenue Code
MIGEDC	Metro-Iloilo Guimaras Economic Development Council
LTTA	Long-term Technical Assistance
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
NCC	National Competitiveness Council
NEDA	National Economic and Development Authority
NERBAC	National Economic Research and Business Assistance Center
OCVAS	Office of the City Veterinary and Agricultural Services
OIDCI	Orient Integrated Development Consultants, Inc.
PBED	Philippine Business for Education
PBR	Philippine Business Registry
PCCI	Philippine Chamber of Commerce and Industry, Inc.
PDF	Philippine Development Forum
PFG	Partnership for Growth
PIRS	Performance Indicator Reference Sheet
PMO	Project Management Office A month after the Business Forum
PPP	Public-Private Partnership
PTO	Project Technical Officer
RCA	Recipient Contracted Audit
RFP	Request for Proposal
SEC	Securities and Exchange Commission
SME	Small- and Medium-Enterprises
SOW	Scope of Work
SP	Sangguniang Panglungsod
STTA	Short-term Technical Assistance
SWG-LIR	Sub-Working Group on Local Investment Reforms
TCD	Target Completion Date
TIEZA	Tourism Infrastructure and Enterprise Zone Authority
TWG	Technical Working Group
UPV	University of the Philippines Visayas
USAID	United States Agency for International Development
WG-GIC	Working Group on Growth and Investment Clima

I. INTRODUCTION

The Investment Enabling Environment (INVEST) started as a two-year initiative to improve the business enabling environment and the competitiveness of Philippine cities to attract investments. The Project was awarded by USAID to the Orient Integrated Development Consultants Incorporated (OIDCI) on September 30, 2011 and was launched on November 3, 2011. On April 10, 2013, USAID extended the Project to another year through a Preliminary Notice of Intent to Exercise of Option.

INVEST has two key reform components: (1) streamlining business registration processes and lowering the business transaction costs of compliance with rules and regulations; and (2) improving investment planning and promotion in partner cities. The Project also undertakes activities that fall under cross-cutting concerns, i.e. support activities to improve the competitiveness of partner cities. This is often considered as the third component of INVEST. The Project has three partner cities: Batangas in Luzon, Iloilo in the Visayas, and Cagayan de Oro in Mindanao.

Major Accomplishments for the Quarter

The Project faced a challenging environment in the 7th quarter as the country held national and local elections. Nevertheless, the Project successfully refocused its priorities on activities with national government agencies and private sector groups, which were not as involved in electoral politics as the local government units. This allowed the project to pursue its reform initiatives through enabling policies and groundworking in preparation for the term of whoever wins in the local elections in partner cities.

In the area of business permitting, the Project evaluated the results of streamlining initiatives through the third-party assessment of the Business Permits and Licensing Systems (BPLS) in partner cities. The assessment showed that there were improvements in the registration processes of the three cities, although not in the same magnitude. The business permitting reforms in Batangas and Cagayan de Oro were quite successful as these cities were able to meet all their BPLS targets. Batangas had the most dramatic change, brought about by the construction of the Business One-Stop Shop (BOSS) and the use of substantial backroom processes to reduce contact between city officers and applicants. Cagayan had the fastest processing time, i.e. less than 1 hour for new registrations and less than 2 hours for renewal of business registration. This was made possible by linking the computerized systems of the City Treasurer's Office (CTO), the Business Permits and Licensing Office (BPLO) and the Bureau of Fire Protection (BFP). The assessment in Iloilo showed mixed results. There were improvements in some indicators but the BPLS targets were largely not attained, implying the need to continue process reengineering.

At the national level, the Project sustained its support to the Philippine Business Registry (PBR) by organizing a workshop among the members of the PBR Technical Working Group (TWG) together with the DTI. The workshop sought to formulate plans to implement the vision of the next-generation PBR, another INVEST initiative as mentioned in the previous Quarterly Report. It may be noted that it was through the Project's intervention that the PBR gained clear directions at different levels—vision, policy, and technical.

As part of its efforts to promote business permitting reforms at the national level, the Project also provided technical assistance to the Information and Communications Technology Office (ICTO) of the Department of Science and Technology in formulating the e-Readiness Index based on the e-Readiness Survey conducted by the ICTO and the DILG to assess the capacity of LGUs to computerize their BPLS. It also refined together with the ICTO the e-readiness survey instrument, which will be conducted nationwide by the DILG as part of the BPLS Automation Project. Drawing from the BPLS reform experience in the cities, the Project submitted a draft Memorandum Circular on Inspection Reforms to the DILG to encourage local government units (LGUs) to set-up business-friendly inspection systems.

In the area of investment promotion, the Project built partnerships to support the City Business Forums (CBF). The Project established links with the Philippine Chamber of Commerce and Industry (PCCI), the Investor Relations Office (IRO) of the Bangko Sentral ng Pilipinas (BSP), and the Development Bank of the Philippines (DBP). These partnerships will be useful in capacitating the cities as they prepare for the CBF, and can also serve as longer-term support mechanisms after the life of the Project. The Project also held consultations with private sector organizations to encourage a stronger private sector role in organizing the CBF.

The Project also implemented various cross-cutting activities. The Project supported the National Competitiveness Council (NCC) in developing a system to gauge the competitiveness of Philippine cities and in analyzing the Client Satisfaction Survey to assess the impact of the BPLS reforms being promoted by the government. The Project conducted a study that provided a framework for competitiveness and identified key indicators. In the 7th quarter, the Project continued to provide assistance to NCC in data processing and analysis using the framework and indicators generated by the study. The results of the study, most particularly the framework and indicators in measuring local economic development and competitiveness, were presented in various forums and inter-agency meetings, where acceptance and adoption were expressed. The Department of the Interior and Local Government (DILG) expressed its desire to use the results of the study in formulating the Seal of Local Competitiveness.

INVEST participated in various activities of inter-agency committees at the national level and provided technical inputs to USAID in its participation in these committees. It assisted USAID in organizing meetings with the co-conveners of the Working Group on Growth and Investment Climate (WG-GIC) under the Philippine Development Forum (PDF) to plan the conduct of workshops that will formulate the agenda of the Working Group for 2013-2015, which were delayed due to the on-going rationalization of the Department of Trade and Industry (DTI). Likewise, INVEST assisted DTI and DILG in setting up the quarterly meetings of the Sub-Working Group on Local Investment Reforms (SWG-LIR) and the BPLS Oversight Committee (BOC), during which the outputs of the Project were presented.

Impact of Project Activities

The impact of the reforms in business registration at the local level was felt most by the clients of the partner cities. The feedback was generally good. The client satisfaction survey showed that the three cities garnered ratings of satisfactory to very satisfactory.

As previously noted, the reforms also led to increased business registrants and higher revenues for the cities though thereported improvements cannot be solely attributed to the interventions of

the Project. Batangas City had the highest increase (155%) in the number of business applicants processed followed by Iloilo City with 81% and Cagayan de Oro City with 73%. Iloilo City was able to generate 76% more revenues compared to 11% and 14% for Batangas City and Cagayan de Oro City, respectively. The impressive performance of Iloilo City was due partly to the policy of the CTO to forgo audit for those reporting a 20% increase in gross sales in 2012.

Project impact at the national level is difficult to gauge. Nevertheless, the Project played significant roles in establishing the competitiveness index that was adopted by NCC, in pushing for the PBR, and in providing technical inputs in support of the WG-GIC, SWG LIR, and the BOC, the policy-making committees on investment and business permitting reforms. .

Project Management

The Recipient Contracted Audit (RCA) was completed in June 19, 2013 with the submission by the Valdes Abad & Associates of a revised audit report to the USAID. The auditors originally submitted a draft report on May 2, 2013, which was commented on by USAID on May 15, 2013.

For the quarter, INVEST received USAID's approval for the hiring of one (1) long-term technical assistance (LTTA) personnel. No new short-term technical assistance (STTA) was hired though two (2) approval request memorandums for the selection of STTAs were submitted to USAID.

The Project in the Next Quarter

In the 8th quarter, the Project will assist the cities in starting to plan for the BPLS reforms that will be implemented in time for the 2014 business renewal period. Priority will be given to reforms in BPLS automation and the inspection systems. Studies will be started on the permitting system in construction and tourism. The Project will also accelerate the preparatory work for the City Business Forums that have been tentatively set on October (Cagayan de Oro), December (Batangas) and March 2014 (Iloilo). The Project will continue to work with national level committees in promoting the reforms on inspection and BPLS automation. With the start of various USAID projects under the Partnership for Growth (PFG), the Project foresees greater coordination activities with other USAID projects and will continue its support to USAID in activities that will involve the cities under the Cities Development Initiative (CDI).

II. ACCOMPLISHMENTS BY PROJECT COMPONENT

A. Component 1: Streamlining Business Registration Processes and Lowering Transaction Costs

The streamlining reforms were rolled out in time for the January 2013 renewal of business permits and the subsequent application of new business permits. The initial feedback was positive—indicating that the reforms have led to substantial improvements in making the registration process more business-friendly. Though heartened by the apparent success of the reforms, the Project still saw the need for a third-party assessment of the BPLS reforms in the partner cities. The fieldwork for the assessment was done in the 6th Quarter but the reports of the subcontractors were submitted to the Project in the 7th Quarter.

The assessment was part of the INVEST Year 2 Work Plan and was intended to validate the reports submitted by the cities. Initial findings of the 2013 third party assessment on the streamlined processes for new and renewing business applications, operations of the BOSS and client satisfaction survey done by subcontractors showed improvements in the BPLS, albeit at varying degrees among the three partner cities.

The above findings were also supported by the results of the client satisfaction survey where cities garnered ratings of satisfactory to very satisfactory and taxpayers unanimously agreed that the processing of their business permits was definitely faster and made more comfortable.

Among the INVEST partner cities, Batangas City registered the best performance in terms of significant improvement in all the process indicators for both new and renewal of business registration. In addition, the city was able to accomplish, if not exceeded, all its BPLS process indicator targets (Table 1).

Table 1. BPLS Process Indicators for Batangas City for 2012 and 2013

BPLS Process Indicators	New Business Registration			Renewal of Business Registration		
	2012	2013		2012	2013	
	Assessment	Target	3 rd Party Assessment	Assessment	Target	3 rd Party Assessment
Forms	11	1	1	3	1	1
Steps	18	3	3	14	3	3
Signatories	22	2	2	14	2	2
Required Documents	7	3	3	9	4	4
Elapse Time	10 days, 11 hours& 49minutes.	Less than 1 day	3 hours, 21 minutes	1 day, 5 hours& 30 minutes	Less than 1 day	5 hours, 38 minutes

Sources: CTO, Batangas State University (2013)

The City of Cagayan de Oro also registered significant accomplishments although less dramatic than Batangas City in all BPLS process indicators. The city, however, holds the distinction among the three INVEST partners of having the fastest processing time at less than 1 hour for

new registrations and less than 2 hours for renewal of business registration, which was made possible by linking the computerized systems of the CTO, BPLO and BFP offices.

Table 2. BPLS Process Indicators for the City of Cagayan de Oro for 2012 and 2013

BPLS Process Indicators	New Business Registration			Renewal of Business Registration		
	2012	2013		2012	2013	
	Assessment	Target	3 rd Party Assessment	Assessment	Target	3 rd Party Assessment
Forms	10	1	1	2	1	1
Steps	17	4	4	8	4	4
Signatories	27	1	1	13	2	1
Required Documents	14	5	7	1	1	5
Elapse Time	19 days and 20 mins	Less than one day	46 minutes	2 days, 1 hour and 50 minutes	Less than 1 day	1 hour, 41 minutes

Sources: CTO, INVEST 2012 Assessment, Capitol University (2013)

In the case of Iloilo City, there were improvements in some of the processes in 2013 compared the 2012 levels, e.g. unified application form, reduction in the number of steps from 21 and 13 in 2012 to 12 and 9 in 2013 for new registration and renewal, respectively, the number of signatories from 13 in 2012 to 3 in 2013 for renewal of registration and the elapse time from 3 days to 4 hours in 2012 to 1 ½ days in 2013 for renewals. There are still, however, remaining processes that need to be re-engineered. It is noted that the city was not able to meet most of its 2013 targets.

Table 3. BPLS Process Indicators for Iloilo City for 2012 and 2013

BPLS Process Indicators	New Business Registration			Renewal of Business Registration		
	2012	2013		2012	2013	
	Assessment	Target	3 rd Party Assessment	Assessment	Target	3 rd Party Assessment
Forms	3	1	1	4	1	1
Steps	21	3	12	13	3	9
Signatories	9	3	21	13	2	3
Required Documents	3	3	3	6	3	6
Elapse Time	4 days 14 hours 25 mins.	1day, 4 hours (w/ inspection); 39 mins (w/o inspection)	5 days	3 days 4 hours	25 mins.	1 1/2 days

Sources: CTO, INVEST 2013 BPLS Assessment, University of the Philippines Visayas (2013)

In terms of impact, Batangas City registered the highest increase (155%) in the number of business applicants processed followed by Iloilo City with 81% and Cagayan de Oro City with 73%. In terms of increase in revenues, however, Iloilo City was able to generate 81% more revenues compared to 11% and 14% for Batangas City and Cagayan de Oro City, respectively.

Table 4. Number of Applicants and Revenues of Partner Cities for 2012 and 2013

Cities	Number of Applicants			Revenues (in Php Million)		
	2012	2013	% Growth	2012	2013	% Growth
Batangas	1,982	5,600	155.3	180.36	199.76	10.8
Iloilo	5,980	10,819	80.9	102.08	180.57	75.7
Cagayan de Oro	5,935	10,245	72.6	236.63	268.80	13.6

The third party assessments, however, indicate that these impressive performances were achieved thru a combination of streamlined processes as well as additional measures that the CTO in the cities implemented during the renewal period. Iloilo City registered the highest increase (76%) in such revenues, which according to the City Treasurer¹ can be attributed to three factors: (1) the surge in investment in the city that led to more tax payers in 2012; (2) the examination of the books of accounts of firms based on the i-SEC Report, the use of which enabled the CTO to discover undeclared gross receipts by some firms; (3) the practice of conducting door-to-door inspection by the CTO through which firms without business licenses and/or without updated tax dues were discovered. The third party assessment conducted by the University of the Philippines in the Visayas (UPV) also reported that large establishments were advised by the CTO that those reporting a 20% increase in gross sales would not be subjected to audit. In the case of Batangas City, the Local Revenue Code, which requires all applicants to register their various lines of businesses in the city, was strictly implemented.

The third party assessment also conducted exits interviews of about 300 respondents in each of the cities. The results in Table 5 indicate the impressive improvement in satisfaction ratings in Batangas City with a 25 percentage point increase among those who are “very satisfied” with the business permit application services compared to just 2 percentage point increase in Iloilo City and a 13 percentage point drop among respondents from Cagayan de Oro. The latter could be explained by the unusual business permitting situation where rallies were held against/for the former Mayor during the renewal period which affected the BOSS.

Table 5. Satisfaction with LGU Services on Business Permit Application

Evaluation Rating Scale	Batangas		Iloilo		Cagayan de Oro	
	2012	2013	2012	2013	2012	2013
1 - Very Satisfied	30	55	26	28	51	38
2 - Satisfied	54	29	62	57	47	49
3 - Neutral	14	14	12	13	2	11
4 - Dissatisfied	2	2	0	2	0	2
5 - Very Dissatisfied	0	0	0	0	0	0

¹ Letter to INVEST dated May 16, 2013.

1. Program Area 1.1: Enhancing Streamlined Business Permits and Licensing System (BPLS) in Target Cities

Under the Year 2 Work Program, this Program Area covered three aspects: service standards for BPLS, automation, and business-related inspections. In the 7th quarter, the Project evaluated the impact of streamlining reforms through the third-party assessment of the BPLS and the conduct of client satisfaction surveys in partner cities. The project also continued to work with the partner cities and national government agencies to lay the groundwork for business-friendly inspection systems and for the automation of business registration processes.

a. Key Accomplishments

With the campaign in full force at the partner cities, the Project has very limited activities at the city level, though major accomplishments related to BPLS reforms were reported. Batangas City, for instance issued Executive Order (EO) 8 on April 24, 2013 that formally approved the action plan on inspections that was formulated in the inspection workshops conducted by the INVEST team (Deliverable 3 on improving the system of business inspection). Batangas City also finished the draft Information System Strategic Plan (ISSP) CY 2013-2015 (under Deliverable 1), which contains the computerization plans of the city. Other non-controversial activity of the Project at the city level was the formal start of data gathering for the profiling study of business applicants, which required going back to and encoding the business application forms in the three cities for two years, 2012 and 2013.

The Project Management Office (PMO) carefully evaluated the third party assessment of BPLS reforms in the three cities, initiating various meetings with the subcontractors from the cities. Note that part of the objective of hiring local contractors is to improve their capacity to analyze BPLS reforms and to deepen the engagement of academic institutions in the reforms of the city government. The PMO also devoted much of its time in reviewing the reports due for submission to USAID, viz., the conduct of the customer relations workshops in the three cities and the assessment workshops in setting-up business-friendly inspection systems in the three cities.

Table 6. Comparison of Planned Activities and Accomplishments for the 7th Quarter under Program Area 1.1

Outputs (from the Year 2 Work Plan)	Planned Activities for the 7th Quarter (from the Year 2 Work Plan)	Accomplishments for the 7th Quarter (April - June 2013)
Deliverable 1: Ensured Compliance with BPLS Standards		
<u>Output 1.1</u> Report on the Conduct of the Customer Relations Workshops in Three Cities Target Completion Date/TCD: June 30 Status: Ongoing	" Submission to USAID of the Report on the Conduct of the Customer Relations Workshops in Three Cities	" COMPLETED. Submitted to USAID on June 29, 2013.

Output 1.2 Assessment Report on the Streamlined Processes for New and Renewing Business Applications	" Submission to USAID of the Assessment Report on the Streamlined Processes for New and Renewing Business Applications	" Submissions of the first drafts were received by the Project for Batangas (April 30, 2013), Iloilo (May 2) and CDO (May 5) " A meeting with all subcontractors
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Outputs (from the Year 2 Work Plan)	Planned Activities for the 7th Quarter (from the Year 2 Work Plan)	Accomplishments for the 7th Quarter (April - June 2013)
TCD: July 30 Status: Ongoing		was organized on 15 May 2013 in Pasig City to clarify issues <ul style="list-style-type: none"> Subsequent one-on-one meetings were held w/ two of the subcontractors to further address questions on the report <ul style="list-style-type: none"> Batangas State University – June 11 UP Visayas - June 9 Revisions on the drafts are being done.
<u>Output 1.3</u> Report on the Conduct of a Client Satisfaction Survey in Three Cities (carry-over from Year 1 but converted to a Competitiveness Survey which has been included under Component 3) TCD: September 15, 2013 Status: Ongoing	<ul style="list-style-type: none"> Finalization of the survey instrument for the competitiveness survey after consultations with PCCI and local chambers Submission of the RFP to USAID for approval and subcontracting of the conduct of the survey 	<ul style="list-style-type: none"> A revised survey instrument was submitted by Alvin Ang on April 15, 2013 and sent to Dr. Barrios the Dean of UP Stat Center for comments Submission of the RFP was postponed pending clarification on the budget realignment being requested from USAID
<u>Output 1.4</u> Report on the Profile of Business Applicants in the Three Cities TCD: August 30, 2013 Status: Ongoing	<ul style="list-style-type: none"> Mobilization of data encoders to process data from the business application forms 	<ul style="list-style-type: none"> Data encoders were mobilized in partner cities – 3 for Batangas and Iloilo and 6 for CDO, which is expected to be finished in August 2013.
<u>Output 1.5</u> Information Strategic System Plan (ISSP) for Each of the Three Cities TCD: September 30, 2013 Status: Ongoing	<ul style="list-style-type: none"> Conduct of the ISSP workshop in Iloilo City and Cagayan de Oro City Continuation of the revision of the ISSP of Batangas City, which may have to await approval until after the elections 	<ul style="list-style-type: none"> The Batangas ISSP was submitted to the Project Management Office (PMO) on June 10, 2013 The ISSP workshop in CDO was postponed due to the elections while Iloilo City government may not be preparing an ISSP.
Deliverable 2: Improved Business One-Stop Shop (BOSS)		
<u>Output 2.1</u> Assessment Report on the BOSS in the Target Cities TCD: July 30, 2013 Status: Ongoing	<ul style="list-style-type: none"> Submission to USAID of the Assessment Report on the BOSS in the Target Cities 	<ul style="list-style-type: none"> Same as the activities reported in Output 1.1 above
<u>Output 2.2</u> Institutional Study on NERBAC, BOSS & the Philippine Business Registry (PBR) TCD: July 24, 2013 Status: Ongoing	<ul style="list-style-type: none"> Submission to USAID of the Institutional Study on NERBAC, BOSS & the Philippine Business Registry (PBR) 	<ul style="list-style-type: none"> Draft report was submitted on June 12, 2013 and comments relayed on June 20, 2013. Further work needs to be done on the possible assistance to be provided by NERBAC in the three partner cities
Deliverable 3: Improved System of Business Inspection		
<u>Output 3.1</u> Study on Risk-Based Inspection TCD: September 15, 2013 Status: Ongoing	<ul style="list-style-type: none"> Mobilization of an STTA to conduct the study on risk-based inspection 	<ul style="list-style-type: none"> The position was advertised in the Philippine Daily Inquirer on June 23, 2014 but there were no applicants as of the end of the quarter.

Outputs (from the Year 2 Work Plan)	Planned Activities for the 7th Quarter (from the Year 2 Work Plan)	Accomplishments for the 7th Quarter (April - June 2013)
<u>Output 3.2</u> Report on the Assessment Workshops on the Setting-up of Business-friendly Inspection System in the Three Cities TCD: June30, 2013 Status: Ongoing	" Submission to USAID of the Report on the Assessment Workshops on the Setting-up of Business-friendly Inspection System in the Three Cities	" Conducted follow-up inspection workshop in Batangas City on April 3-5, 2013 " Prepared the report for submission to USAID
<u>Output 3.3</u> Report on the Assessment of the Reformed Inspection Systems TCD: September 30, 2013 Status: Ongoing	" Conduct of the assessment of the reformed inspection systems in the three partner cities	" The assessment of the reformed action plan for inspection to be conducted by the Subcontractors was postponed for August 2013 to give time for the cities to implement the inspection action plans, which were set aside due to the elections. " Implemented city reform action plans on business friendly inspections

b. Plans for the Next Quarter

With the elections over, the Project expects to resume its BPLS-related activities at the city level in the 8th quarter and to catch up with finishing the reports due for submission to USAID. Focus will be on the sustained implementation of inspection reforms as well as the planning for the renewal period in January 2014.

Table 7. Planned Major Activities for the 8th Quarter under Program Area 1.1

Outputs (from the Year 2 Work Plan)	Planned Major Activities for the 8th Quarter (July - September 2013)
Deliverable 1: Ensured Compliance with BPLS Standards	
<u>Output 1.1</u> Customer Relations Workshops in Three Cities	" Completed
<u>Output 1.2</u> Assessment Report on the Streamlined Processes for New and Renewing Business Applications	" Submission to USAID of the report
<u>Output 1.3</u> Report on the Conduct of a Client Satisfaction Survey in Three Cities	" Request the USAID for approval of the request for Proposal; conduct of the bid and evaluation of the bidders " Conduct of the survey by September 2013
<u>Output 1.4</u> Report on the Profile of Business Applicants in the Three Cities	" Continuation of data gathering
<u>Output 1.5</u> Information Strategic System Plan (ISSP) for Each of the Three Cities	" Conduct of ISSP workshop in Cagayan de Oro City
Deliverable 2: Improved Business One-Stop Shop (BOSS)	
<u>Output 2.1</u> Assessment Report on the BOSS in the Target Cities	" Submission to USAID of the Assessment Report on the BOSS in the Target Cities
<u>Output 2.2</u> Institutional Study on NERBAC, BOSS & the Philippine Business Registry (PBR)	" Interview of DTI Directors in charge of NERBACs for Regions IVA, VI and X " Submission of the final report
Deliverable 3: Improved System of Business Inspection	

Outputs (from the Year 2 Work Plan)	Planned Major Activities for the 8th Quarter (July - September 2013)
<u>Output 3.1</u> Study on Risk-Based Inspection	" Search for an STTA to conduct of the study on risk-based sanitary and fire inspections
<u>Output 3.2</u> Report on the Assessment Workshops on the Setting-up of Business-friendly Inspection System in the Three Cities	" Submission of the report to USAID
<u>Output 3.3</u> Report on the Assessment of the Reformed Inspection Systems	" Issuance of Advisory No. 3 re: guidelines on the conduct of assessment of the reformed inspection systems in the partner cities " Conduct (by subcontractors) of the of assessment of the reformed inspection systems in the partner cities " Submission to USAID of assessment reports on the reformed inspection systems in the partner cities

2. Program Area 1.2: Strengthening National Government Support to BPLS Reforms

The oversight national government agencies play a significant role in promoting reforms on business permitting. Hence, for program area 1.2, the Project is providing assistance to: (1) the DTI for the implementation of the Philippine Business Registry (PBR), a web-based portal that will revolutionize and ease the registration process of the Securities and Exchange Commission (SEC), the Cooperative Development Authority (CDA) and the DTI; (2) the Department of Science and Technology, which acts as the technical secretariat to the eBPLS Technical Working Group (eBPLS-TWG); (3) the DILG, which is the lead agency for inspection reforms; and (4) the Civil Service Commission (CSC) which is responsible for the conduct of the Report Card Survey.

a. Key Accomplishments

With the slowdown of city activities, the Project supported a number of activities at the national level. After the High-Level Round Table Discussion (HLRTD) participated by heads of PBR partner agencies in March 2013, a PBR TWG workshop was conducted on May 28-29, 2013 to operationalize the vision of the next generation PBR and formulate plans for its implementation. The outputs of the workshop will be incorporated in the PBR roadmap, which the Project is developing for DTI. Given the extensive work in the PBR implementation, a request to extend the services of the PBR consultant was received on June 14, 2013.

Since the Project played a key role in the signing of a Memorandum of Agreement (MOA) that launched the BPLS Automation Project, it organized a meeting of senior officials of ICTO/DOST, the DILG and DTI to re-activate the eBPLS TWG since its creation in July 2012. Held on May 6, 2013, the meeting agreed that (1) concerned agencies will assign permanent representatives to the TWG; (2) the web-based BPLS program will be promoted to LGUs; (3) the USAID sponsored Guidebook on BPLS Automation and Baseline Design will be circularized; (4) the e-readiness survey will be conducted nationwide; and (5) training on BPLS automation will be given to LGUs. Following this agreement, the organizational meeting of the eBPLS TWG was held on May 22, 2013. In addition, INVEST provided assistance to ICTO/DOST in the analysis of the e-readiness survey and formulation of criteria for LGU ranking according to e-readiness. Two meetings were convened (May 30 & June 5) with DOST staff to review the survey results

which were presented to the BPLS Oversight Committee on 10 June 2013. INVEST likewise provided assistance in the preparation of the TWG work plan and in the revision of the e-readiness survey questionnaire to be used in 2013.

In addition, the Project also started work with the Civil Service Commission for the holding of a workshop that will train civil society organization to conduct the Report Card Survey in INVEST partner cities. The workshop is scheduled in July while the Survey will be conducted in August 2013.

**Table 8. Comparison of Planned Activities and Accomplishments
for the 7th Quarter under Program Area 1.2**

Outputs (from the Year 2 Work Plan)	Planned Activities for the 7th Quarter (from the Year 2 Work Plan)	Accomplishments for the 7th Quarter (April - June 2013)
Deliverable 1: Enhanced Connectivity of Philippine Business Registry		
<u>Output 1.1</u> Roadmap for PBR Implementation TCD: July 15, 2013 Status: Ongoing	<ul style="list-style-type: none"> Conduct of a PBR TWG workshop to formulate plans to implement the next-generation PBR Possible extension of the assistance of the PBR consultant to DTI 	<ul style="list-style-type: none"> Conducted the PBR TWG workshop on May 28-29, 2013 to formulate plans to implement the vision of the next-generation PBR Received the draft outputs from the STTA on June 5, 2013 which are being reviewed Prepared the SOW extending the assistance of the PBR consultant to DTI
Output 1.2 Reports on the Assistance Provided to DTI TCD: September 15, 2013 Status: Ongoing	<ul style="list-style-type: none"> Undertaking of continuous project oversight through the STTA handling PBR, with this STTA's services possibly being extended Preparation of a report on the assistance provided to DTI towards the end of the consultancy 	<ul style="list-style-type: none"> Informed USAID that the submission of the report may have to be adjusted until such time as the INVEST consultant has finished the assistance to DTI
<u>Output 1.3</u> Connectivity of Partner Cities to PBR TCD: September 30, 2013 Status: Ongoing	<ul style="list-style-type: none"> Assessment of issues/problems in connecting the cities to PBR and addressing of these to pave the way for the connection by end-September 2013 	<ul style="list-style-type: none"> Coordinated with DTI for timetable of connection to PBR (Per DTI's schedule, the connectivity was targeted in July)
Deliverable 2: Enhanced Information/Support to BPLS Computerization		
<u>Output 2.1</u> Report on the Technical Assistance to TWG-eBPLS TCD: September 30, 2013 Status: Ongoing	<ul style="list-style-type: none"> Organization of a high-level meeting (with undersecretaries) to discuss the 2013 work plan and activities of the TWG Provision of advice to the technical secretariat TWG 	<ul style="list-style-type: none"> Meeting of Undersecretary Casambre of DOST, Undersecretary Panadero of DILG and Undersecretary Maglaya of DTI was held on May 6, 2013. Held two meetings with Ms. Tess Roberto, Acting Chair of the EBPLS TWG to discuss the analysis of the 2012 e-readiness survey, which was

Outputs (from the Year 2 Work Plan)	Planned Activities for the 7th Quarter (from the Year 2 Work Plan)	Accomplishments for the 7th Quarter (April - June 2013)
	based at the ICTO, on the activities that will jumpstart the work of the Committee	presented to the BPLS Oversight Committee on June 10, 2013 " Provided advice to the technical secretariat TWG based at the ICTO, on the activities that will jumpstart the work of the Committee
Output 2.2 Training Manuals on BPLS Automation TCD: July 31, 2013 Status: Ongoing	" Finalization of the Training Manuals on BPLS Automation	" Informed oversight agencies (DOST, DTI, DILG) that INVEST will share its training modules used in the three cities in conducting training on BPLS automation " Drafted training module on BPLS Automation
Deliverable 3: Supported National Government BPLS Guide and Standards for LGUs		
Output 3.1 Assessment of the BPLS Standards in the DTI-DILG JMC TCD: September 15, 2013 Status: Ongoing	" Start the conduct of the study on the assessment of BPLS Standards in the DTI-DILG JMC	" Submitted the request to hire Professor Simeon Ilago to USAID on June 13, 2013
Deliverable 4: Strengthened Monitoring of the Anti-Red Tape Act		
Output 4.1 Conduct of the Report Card Survey in the Three Cities TCD: August 30, 2013 Status: Ongoing	" Meet with the CSC to plan the training and mobilization of CSOs for the conduct of the Report Card Survey in the three cities within the quarter	" The meeting was held on June 27, 2013 to coordinate the conduct of the training of CSOs from the INVEST partner cities which was held on July 9-12, 2013.
Output 4.2 Report on the revisions of Citizens Charter in Three Cities TCD: To be moved to Year 3 Status: Ongoing	" No activity expected since the city officials will be busy with election activities.	" No activity undertaken

b. Plans for the Next Quarter

The Project will continue to assist the national government agencies in pursuing business permitting reforms that will have to be put in place in time for the 2014 business renewal period. The Project will provide technical inputs in drafting memorandum circulars on three major areas - the setting up of business-friendly inspection systems, BPLS automation and possible revisions to the BPLS standards set in the JMC. In addition, the Project will assist the DTI in moving towards the next-generation PBR thru the preparation of the data dictionary and the assessment of the automation-related problems of the Cooperative Development Authority in connecting to the PBR. The Project will also support the PBR connection of partner cities as soon as the PBR system at the national level is ready. Technical support to the eBPLS TWG will continue as the Project: (1) shares the training manuals on BPLS automation which the Project conducted in its partner cities; (2) assists the DOST-based secretariat in analyzing the results of the 2012 e-readiness survey; and (3) provides technical inputs to the revision of the survey instrument to be used in the 2013 nationwide survey on e-readiness.

Table 9. Planned Major Activities for the 8th Quarter under Program Area 1.2

Outputs (from the Year 2 Work Plan)	Planned Major Activities for the 7th Quarter (July - September 2013)
Deliverable 1: Enhanced Connectivity of Philippine Business Registry	
<u>Output 1.1</u> Roadmap for PBR Implementation	<ul style="list-style-type: none"> Finalization of the PBR roadmap for presentation to the newly designated officials of DTI in charge of the PBR Submission of the PBR roadmap to USAID
<u>Output 1.2</u> Reports on the Assistance Provided to DTI	<ul style="list-style-type: none"> Request USAID to extend the services of the PBR consultant to: <ul style="list-style-type: none"> (1) assess the CDA requirements for connection with the PBR; and (2) prepare a data dictionary for the PBR
<u>Output 1.3</u> Connectivity of Partner Cities to PBR	<ul style="list-style-type: none"> Coordinate with both the PBR and the partner cities on the requirements for PBR connectivity
Deliverable 2: Enhanced Information/Support to BPLS Computerization	
<u>Output 2.1</u> Report on the Technical Assistance to TWG-eBPLS	<ul style="list-style-type: none"> Provision of technical assistance to the eBPLS TWG particularly on the revision of the e-readiness survey questionnaire for 2013 and the preparation of eBPLS circular as provided in the 2013 work plan
<u>Output 2.2</u> Training Manuals on BPLS Automation	<ul style="list-style-type: none"> Finalization of training manuals on BPLS automation and presentation to the eBPLS TWG
Deliverable 3: Supported National Government BPLS Guide and Standards for LGUs	
<u>Output 3.1</u> Assessment of BPLS Standards in the DTI-DILG JMC	<ul style="list-style-type: none"> Conduct of the Assessment of BPLS Standards in the DTI-DILG JMC Presentation of findings and recommendations including draft joint circular to the BPLS Oversight Committee Submission to USAID the Report on Assessment of BPLS Standards in the DTI-DILG JMC
Deliverable 4: Strengthened Monitoring of the Anti-Red Tape Act	
<u>Output 4.1</u> Conduct of the Report Card Survey in the Three Cities	<ul style="list-style-type: none"> Conduct of the training on the Report Card Survey
<u>Output 4.2</u> Report on the revisions of Citizens Charter in Three Cities	<ul style="list-style-type: none"> No activity planned (will propose to USAID that the output be moved to Year 3)

3. Program Area 1.3: Supporting Regulatory Reforms in the Priority Sectors and Areas of Government

Two sectors, construction and tourism, have been identified by DTI and DILG as priority sectors that would greatly impact on the development and employment generation efforts of the government. To encourage the flow of more investments in these sectors, studies will be conducted and the findings and recommendations will be presented to the USAID and BPLS Oversight Committee to generate the support of DPWH, DILG and DOT for possible issuance of appropriate circular.

a. Key Accomplishments

The partnership with DILG regarding the conduct of the study on streamlining of construction permits highlights the importance of this sector. The tourism sector remains one of the priority sectors that will be promoted to increase investment and consequently provide additional employment. Along this line, a study will be conducted to streamline the issuance of business permits for hotels and tourism establishment.

**Table 10. Comparison of Planned Activities and Accomplishments
for the 7th Quarter under Program Area 1.3**

Outputs (from the Year 2 Work Plan)	Planned Activities for the 7th Quarter (from the Year 2 Work Plan)	Accomplishments for the 7th Quarter (April - June 2013)
Deliverable 1: Streamlined Construction Permitting System		
<u>Output 1.1</u> Recommendations on Streamlining of Construction Permits TCD: September 15, 2013 Status: Ongoing	<ul style="list-style-type: none"> • Exploring of possible partnerships with the Department of Public Works and Highway and the DILG for the study • Contracting of STTA for the conduct the study • Commencement of the data gathering for the study in consultation with the partner agencies and construction-related organizations in the private sector 	<ul style="list-style-type: none"> • Forged partnership with DILG in the conduct of the study on streamlining of construction permits • Assisted the DILG in drafting the letter that engaged DPWH in the construction study • Advertised the position in the Philippine Daily Inquirer on June 30, 2013
Deliverable 2: Streamlined Special Permitting Processes in Tourism		
<u>Output 2.1</u> Recommendations on Streamlining Processes for Operating Hotel Establishments TCD: September 15, 2013 Status: Ongoing	<ul style="list-style-type: none"> • Reaffirm with the Department of Tourism on the studies to be undertaken by INVEST • Submission of a request to USAID for a modification of the output from the original assessment of the permitting process for establishing hotel enterprises to the provision of technical assistance to TIEZA • Drafting of the SOW for the hiring of consultant for the provision of technical assistance to TIEZA • Conduct of discussions on the draft SOW with TIEZA and USAID • Hiring of STTA to conduct the study 	<ul style="list-style-type: none"> • Advertised the position in the Philippine Daily Inquirer on June 30, 2013 • Based on consultation with industry experts (Twinkle Teodoro & Narzalina Lim), the grant of tourism incentives has been suspended by DOT; hence theProject decided to revert back to the original plan to study the permitting process for hotels and restaurants as suggested by Undersecretary Maria Victoria Jasmin • Hiring of the consultant has been delayed due to the difficulty of finding a consultant

b. Plans for the Next Quarter

As the second year of the Project is nearing, efforts will be exerted to jump-start the two studies under this program area. Partner agencies (DILG and the Department of Tourism (DOT)) will be actively engaged and consultants will be hired to ensure that the studies will be conducted by end-September 2013.

Table 11. Planned Major Activities for the 8th under Program Area 1.3

Outputs (from the Annual Work Plan)	Planned Major Activities for the 2nd Quarter (July - September 2013)
Deliverable 1: Streamlined Construction Permitting System	
<u>Output 1.1</u> Recommendations on Streamlining of Construction Permits	<ul style="list-style-type: none"> ▪ Choose the STTA to conduct the study on streamlining of construction permits ▪ Submit the SOW for comments by DILG and DPWH ▪ Request USAID for the hiring of the consultant ▪ Start the conduct of the study
Deliverable 2: Streamlined Special Permits in Tourism and Agribusiness	
<u>Output 2.1</u> Recommendations on Streamlining Processes for Operating Hotel Establishments	<ul style="list-style-type: none"> ▪ Engage the relevant offices of the DOT for the study ▪ Advertise the position again in the newspaper and in various universities ▪ Hire the STTA to conduct the study ▪ Presentation of the findings and recommendations to the BPLS Oversight Committee

B. Component 2: Improving Investment Planning and Promotion in Target Cities

Component 2 aimed to improve investment planning and promotion and build on the gains achieved through the reforms on streamlining business registration processes. The Work Program for Year 2 sought to conduct capacity-building activities in areas where the partner cities could define, establish, and enhance their strengths as investment hubs and assist the partner cities implement reforms and initiatives in identified areas where structural and policy interventions are necessary.

1. Program Area 2.1: Strengthened Planning and Investment Programming and Budgeting in Partner Cities

An important aspect of investment promotion is the preparation of investment plans and programs. Hence, the Project, through this program area, aims to strengthen investment planning, programming and budgeting, to expose city officials to best practices in urban planning through an international study tour, to enhance the Local Investment Incentives Code (LIICs of partner cities and to assist the cities in engaging the private sector to invest in public sector projects thru public-private sector partnerships (PPP).

a. Key Accomplishments

The Project submitted to USAID the documentation of the international study tour and the report on the training on managing risks and responsibilities in the implementation of development projects. The Project also completed the drafting of the LIIC template that was specifically requested by the DILG so that this could be included in the LIIC manual that the Department was developing. Through this manual, DILG hopes to capacitate the LGUs in the process of LIIC updating. On the part of the Project, the template flowed logically after the study on the inconsistencies of national and local incentives and the compendium of incentives provided in national laws. The draft template was presented to the Sub- Working Group on Local Investment Reforms, which is co-chaired jointly by DILG/DTI and USAID, during its meeting on June 10, 2013. The Project is awaiting the comments of the SWG-LIR members, specifically the DILG, before the template is finalized, formally transmitted to DILG for adoption, and submitted to USAID.

**Table 12. Comparison of Planned Activities and Accomplishments
for the 7th Quarter for Program Area 2.1**

Outputs (from the Year 2 Work Plan)	Planned Activities for the 7th Quarter (from the Year 2 Work Plan)	Accomplishments for the 7th Quarter (April - June 2013)
Deliverable 1: Strengthened Planning, Investment Programming, and Budgeting in Target Cities		
<u>Output 1.1</u> Report on the Conduct of the International Study Tour TCD: April 15, 2013 Status: Ongoing	" Submission of the report to USAID	" COMPLETED. The report was submitted to USAID on April 15, 2013. " The learning's from the international study tour was presented to the BPLS Oversight Committee Meeting on June 10, 2013.
<u>Output 1.2</u> Proposed List of Programs and Projects for 2014 TCD: August 31, 2013 Status: Ongoing	" No activity envisioned for the quarter since the preparation of the list can only be done after the oath taking of the new/re-elected city officials	" No activity undertaken
Deliverable 2: Enhanced and Updated Local Investment Incentive Code (LIIC) and Local Revenue Code (LRC)		
<u>Output 2.1</u> Report on the Inconsistency of incentive provided in national laws and local applications including a compendium of incentives provided in national laws TCD: July 31, 2013 Status: Ongoing	" Preparation of the template for LIICs " Presentation of the template to the Sub-Working Group on Local Investment Reforms (SWG-LIR) " Preparation of the report for submission to USAID	" The draft template LIIC was submitted on June 6, 2013 for PMO review " The draft template were presented to the SWG-LIR on June 10, 2013 " The Project is awaiting comments on the template from the DILG
<u>Output 2.2</u> Updated LIIC and LRC TCD: September 30, 2013 Status: Ongoing	" No activity was planned for the quarter since updating of the LIIC can only be started after the oath-taking of the new/re-elected officials	" Conduct of LIIC Updating Workshops (per partner city), which were included in the list of preparatory activities for the City Business Forum
Deliverable 3: Increased Investments of the Private Sector in Public Sector Projects		
<u>Output 3.1</u> Report on the Training on Managing Risks and Responsibilities in Implementation of Development Projects, Including Project Concept Documents TCD: April 30, 2013 Status: Ongoing	" Submission of the report to USAID	" COMPLETED. Submitted report to USAID on May 31, 2013
<u>Output 3.2</u> Report on Fund Sourcing of Public-Private Arrangement Forged TCD: A month after the business forum	" No activity envisioned for the quarter; newly elected/re-elected city officials will be encouraged to write the PPP Center for	" No activity undertaken

Outputs (from the Year 2 Work Plan)	Planned Activities for the 7th Quarter (from the Year 2 Work Plan)	Accomplishments for the 7th Quarter (April - June 2013)
Status: Ongoing	possible assistance in finding support for the PPP projects identified.	

b. Plans for the Next Quarter

The Project intends to emphasize local investment planning and programming activities, after elections, in preparation for the City Business Forums. The Project realized that whatever the results of the electoral contests at the city level, there will still be some realignment of officers in partner cities, some more drastic than others.

In the 8th quarter, among the activities that will be given attention are (1) the packaging of project concept documents into project profiles that can be used for the City Business Forums; (2) the preparation of a monitoring system for fund sourcing for identified project concepts; and (3) the provision of assistance to the LEIPOs in the process of updating the LIIC. For cities with new Mayors (i.e. Batangas and Cagayan de Oro), the Project will schedule briefing sessions for new officials and organize courtesy calls of INVEST and USAID officers, in addition to the activities directly related to the outputs in this program area.

Table 13. Planned Major Activities for the 8th Quarter for Program Area 2.1

Outputs (from the Year 2 Work Plan)	Planned Major Activities for the 8th Quarter (July - September 2013)
Deliverable 1: Strengthened Planning, Investment Programming, and Budgeting in Target Cities	
<u>Output 1.1</u> Report on the Conduct of the International Study Tour	" COMPLETED
<u>Output 1.2</u> Proposed List of Programs and Projects for 2014	" Monitoring of the partner cities' programs and projects inclusion in the 2014 budget
Deliverable 2: Enhanced and Updated Local Investment Incentive Code (LIIC) and Local Revenue Code (LRC)	
<u>Output 2.1</u> Report on the Inconsistency of incentive provided in national laws and local applications including a compendium of incentives provided in national laws	" Finalization of the template to incorporate DILG comments and its submission to USAID
<u>Output 2.2</u> Updated LIIC and LRC	" Inclusion of LIIC updating as a preparatory activity for the City Business Forums
Deliverable 3: Strengthened Involvement of the Private Sector in Investment Programming and in the Implementation of Public Sector Projects	
<u>Output 3.1</u> Report on the Training on Managing Risks and Responsibilities in Implementation of Development Projects, Including Project Concept Documents	" COMPLETED. The report has been submitted to USAID " As part of the follow-on work, the project concept documents will be resubmitted to newly-elected Mayors and included in the project profiles for the City Business Forums
<u>Output 3.2</u> Report on Fund Sourcing of Public-Private Arrangement Forged	" Preparation of a monitoring system for fund sourcing

2. Program Area 2.2: Enhancing Capacity Building Support in Investment Planning and Promotion

The city governments, in order to attract investment, have to strengthen the capacity of their city officials in investment planning and promotion. Hence, program area 2.2 focuses on three activities– the training of the Local Economic and Investment Promotion Officer (LEIPO), the holding of a city business forum and strengthening the support of DTI's National Economic Research and Business Assistance Center (NERBAC) to the cities.

a. Key Accomplishments

The Project continued with ground working activities for the City Business Forums during the 7th quarter. The Development Bank of the Philippines formally responded to INVEST initiatives and expressed interest in working with the Project to make available financing for projects in partner cities, subject to due diligence on the proponents and their proposals. The Project also obtained USAID approval on June 11, 2013 for the Request for Proposal for the management of the City Business Forums.

At the city-level, the Project's main focus was in helping the partner cities prepare for the CBFs. The Project coordinated with preparatory committees that have been identified to lead the CBF preparations. At the same time, the Project was conscious of the need to emphasize that the CBF was an activity of the City, that the CBF was not just an event but also the outcome of a process, that collaboration between the local government and the private sector was paramount, and that the Project was there to provide assistance. A sense of local ownership was deemed important for the sustainability of investment promotion efforts beyond the Project's life.

In Batangas City, USAID and INVEST met representatives of the business groups on June 11, 2013 at the Pontefino Hotel to discuss the concept of the City Business Forum. This meeting helped the Project in assessing the level of support of the business group and the type of preparatory activities and confidence-building measures that may be undertaken. As a result of this initial meeting, the Project started planning for a forum where the City Government can present its vision and development plans to the private sector.

In Iloilo, the Project met with the possible members of the local organizing committee for the City Business Forum, consisting of representatives from the City Government and the private sector. The meeting was held on June 5, 2013. The concept of the City Business Forum was formally presented to the group. Subsequently, USAID and INVEST met with the newly-elected Mayor, the Iloilo Economic Development Foundation (ILED), and other private sector representatives. After the meetings, the Project saw the need for a strong private-sector-led Organizing Committee with a presence in Metro Manila (where the Forum will be held), and with the clout to mobilize various support organizations to make the Forum successful.

In Cagayan de Oro, the Project continued to participate in the Focus Group Discussions organized by the cooperating organizations in the City Business Forum. Activities related to the Business Forum were put on hold while the new administration was reorganizing City Hall and identifying key officials.

To strengthen the support to the LEIPOs, the Project also finished the first draft of the institutional study on NERBAC, which included recommendations on the strengthening of the NERBACs, in general, and the assistance of the regional NEBACs to the Project's partner cities.

**Table 14. Comparison of Planned Activities and Accomplishments
for the 7th Quarter for Program Area 2.2**

Outputs (from the Year 2 Work Plan)	Planned Activities for the 7th Quarter (from the Year 2 Work Plan)	Accomplishments for the 7th Quarter (April - June 2013)
Deliverable1: Enhanced Capacity of the Local Economic and Investment Promotion Officers (LEIPOs) in the Target Cities		
<u>Output 1.1</u> Report on the Implementation of Action Plans on LEIPOs TCD: September 30, 2013 Status: Ongoing	<ul style="list-style-type: none"> Continue to monitor the implementation of the action plans; however, no major activity was envisioned until the oath-taking of the new/re-elected city officials who will be requested to affirm the action plans on LEIPOs 	<ul style="list-style-type: none"> Conducted reorganization meeting with LEIPO staff and presented reorganized structure to CIP-TWG on April 18, 2013 (Batangas City) Met with LEIPO on April 11, 2013 to discuss updates and next steps and conducted assessment and planning meeting with LEIPO on April 23-24, 2013 (Iloilo City)
Deliverable2: Conducted City Business Forums		
<u>Output 2.1</u> Report on Conduct of City Business Forum TCD: A month after the Business Forum Status: Ongoing	<ul style="list-style-type: none"> Initiation of discussions with national government agencies and possible business partners for the Business Forum Preparation of the Request for Proposal (RFP) for the management and preparation of collaterals for the Business Forum Conduct of research and preparation of draft materials for the Business Forum 	<ul style="list-style-type: none"> Submitted to USAID the Request for Proposal for the management of the City Business Forums on June 5, 2013 (approved on June 11, 2013) Established linkages with possible partners for the City Business Forums <ul style="list-style-type: none"> PCCI Secretary-General Cris Fianeza (April 26, 2013) for private sector support and links to international trade missions IRO Executive Director Claro Fernandez (April 29, 2013) for assistance in investment promotion activities NEDA Deputy Director General Nestor Mijares IV, as member of Philippine Ports Authority (PPA) Board, (April 29, 2013) for insights on government plans in relation to the ports DBP Officials led by DBP Executive Vice President for Development Financing Benel Laguna (May 22, 2013) to explore collaboration for project financing in partner cities, agri-business, SMEs, and computerization program Conducted meetings with private sector groups to prepare for the City Business Forums

Outputs (from the Year 2 Work Plan)	Planned Activities for the 7th Quarter (from the Year 2 Work Plan)	Accomplishments for the 7th Quarter (April - June 2013)
		<ul style="list-style-type: none"> - Batangas City (June 11, 2013) - Iloilo City (June 5, 2013) - City of Cagayan de Oro (April 18, 2013) <p>■ Conducted environmental scanning in preparation for the City Business Forums:</p> <ul style="list-style-type: none"> - Scoping meetings and preparation of project concept notes in Batangas City - Monitoring of possible investments in Iloilo City - Focus Group Discussions on ICT (May 2013) in CDO
<u>Output 2.2</u> Report on Commitments for Additional Investments in Partner Cities TCD: A month after the Business Forum Status: Ongoing	■ Develop a monitoring system to track deals initiated and deals completed	■ Included the development of monitoring system and preparation of report on commitments for additional investments in the follow-through activities for the Business Forums
Deliverable 3: Strengthened NERBAC Support to Target Cities		
<u>Output 3.1</u> Recommendations on Strengthening Links between NERBAC and City Investment Center TCD: July 24, 2013 Status: Ongoing	■ Submission of the report to USAID	<p>■ Consultant was asked to react to INVEST comments on certain portions of the study</p> <p>■ Reviewed and finalized the study done by the consultant</p>

b. Plans for the Next Quarter

In the 8th quarter, the Project will firm up the preparations for the CBF. The cities have initially targeted the last quarter of 2013 for their respective CBFs. The preparatory activities will include establishment of the Organizing Committees, formulation of investment plans, updating of LIICs, hiring of the Event Manager, and the preparation of city, sector, and project profiles, which should all be in full swing within the next quarter.

On the NERBAC study, the Project plans to present the recommendations to the newly designated DTI Undersecretary in-charge of regional operations.

Table 15. Planned Major Activities for the 8th Quarter for Program Area 2.2

Outputs (from the Year 2 Work Plan)	Planned Major Activities for the 8th Quarter (July - September 2013)
Deliverable1: Enhanced Capacity of the Local Economic and Investment Promotion Officers in the Partner Cities	
<u>Output 1.1</u> Report on the Implementation of Action Plans on LEIPOs	<ul style="list-style-type: none"> ▪ Monitoring of action plans of LEIPOs (Batangas & Iloilo) ▪ Resubmit the LEIPO action plan to the newly-elected Mayor of CDO ▪
Deliverable2: Conducted City Business Forum	
<u>Output 2.1</u> Report on Conduct of City Business Forum	<ul style="list-style-type: none"> ▪ Set up the Organizing Committees in the partner cities ▪ Provide assistance to the private sector in organizing the City Chamber of Commerce and Industry (Batangas) ▪ Conduct briefing sessions for new officials (Cagayan de Oro) ▪ Provide technical support to the private-sector-led Organizing Committee (Iloilo) ▪ Conduct of FGDs for partner cities on priority sectors ▪ Assistance in preparing the investment plans ▪ Assistance in updating the LIIC, if needed ▪ Preparation of city, sector, project profiles ▪ Hiring of an Event Manager and provision of technical support to Organizing Committees
<u>Output 2.2</u> Report on Commitments for Additional Investments in Partner Cities	<ul style="list-style-type: none"> ▪ Establishment of a monitoring system for investment deals that will be initiated and completed
Deliverable 3: Strengthened NERBAC Support to Target Cities	
<u>Output 3.1</u> Recommendations on Strengthening Links between NERBAC and City Investment Center	<ul style="list-style-type: none"> ▪ Presentation of the report to DTI ▪ Submission of final report to USAID

3. Program Area 2.3: Enhancing the Performance of the Target Cities towards Competitiveness

The Project conducted several studies, which were deemed necessary to fill up the information gap on the measures that will further enhance the competitiveness of partner cities. Program area 2.3 focuses on the conduct of industry studies and the innovation study for Batangas City.

a. Key Accomplishments

In the 7th Quarter, the Project reviewed, completed the edited outputs under this Program Area for submission to USAID. Editing the outputs took some time due to the suggestions given by the Project to its consultants and the revisions needed before the studies could be finalized and submitted to USAID.

In various meetings with the private sector, some of their representatives expressed the desire for the results of these studies to be shared with them. Since the Project really intended to disseminate the learning from its initiatives, the Project will organize activities where the results can be presented and discussed to both the local governments and private sector groups.

**Table 16. Comparison of Planned Activities and Accomplishments
for the 7th Quarter for Program Area 2.3**

Outputs (from the Year 2 Work Plan)	Planned Activities for the 7th Quarter (from the Year 2 Work Plan)	Accomplishments for the 7th Quarter (April - June 2013)
Deliverable 1: Enhanced Mechanisms in Promoting Innovation in the Partner Cities		
<u>Output 1.1</u> Study to Develop Concepts of Business Incubation Relevant to Batangas City TCD: June 30, 2013 Status: Ongoing	" Submission of the report to USAID	" Edited the report to USAID
Deliverable 2: Enhanced Positioning of Industries in Partner Cities		
<u>Output 2.1</u> Recommendations to Enhance Industry Growth in Target Cities TCD: July 15, 2013 Status: Ongoing	" Submission of the report to USAID	" Draft reports were returned to the consultants to incorporate the comments of the PMO " Reports were edited by the PMO " Draft reports were shared with the Philippine Business for Education (PBED)
Deliverable 3: Enhanced Credit Availment in the Partner Cities		
<u>Output 3.1</u> Report on Project Assistance in Promoting BPI Credit Facility in the Partner Cities TCD: August 31, 2013 Status: Ongoing	" Conduct of coordination meeting with BPI in preparation for the City Business Forums	" No activity undertaken

b. Plans for the Next Quarter

The Project will present the results of its studies to the City Government and to the private sector and will be submitted to USAID. These studies can also be inputted in the preparation of sectoral and project profiles for the CBF.

C. Component 3: Cross-cutting Concerns

Component 3 is focused on the delivery of tasks related to project management as well as strategic activities that strengthen the foundation for both Components 1 and 2 and are intended

to respond to the overall requirements of partner cities and the Project. Specifically, this component includes the assistance to USAID in implementing the Cities Development Initiative (CDI) program and in the profiling of cities for CDI, the measurement of economic performance and competitiveness of cities, the support to inter-agency committees on investment and business registration and project management commitments, e.g. submission of contractual reports, among others. It also covers the monitoring of performance of the partner cities in terms of their level of economic growth and competitiveness as initial indicators of the results of Project interventions poured into the partner institutions (the city stakeholders and national government agencies). Activities, approaches and achievements related to partnerships and networking of the Project and the USAID on matters pertaining to BPLS and investment planning and promotion are also within the domain of this Component.

a. Key Accomplishments

For the period April to June 2013, this Component of the Project was able to continue providing assistance to the USAID in the promotion of the Cities Development Initiative (CDI) in partner cities with the constant review of the partner cities' CDI Action Plans and continually aligning them to the activities of INVEST. Likewise, INVEST participated in briefing sessions on and for the new programs and projects of USAID to ensure complementarity and synergy of focus, thrusts and directions.

During the same period, INVEST provided assistance to its partner national government agencies (NGAs), institutions and inter-agency committees. While the results of the study on local economic development and competitiveness which the Project undertook in partnership with the National Competitiveness Council (NCC) and the Local Government Support Program for Local Economic Development (LGSP-LED) had been completed and the final report submitted to USAID, INVEST continued to provide assistance to NCC in data processing and analysis using the framework and indicators generated by the study. The results of the study, most particularly the framework and indicators in measuring local economic development and competitiveness, were presented in various forums and inter-agency meetings, where acceptance and adoption were expressed; likewise, possible downstream applications were identified. Just before the quarter ended, the DILG expressed its desire to use the results of the study, and for the INVEST to provide assistance, in formulating the Seal of Local Competitiveness.

INVEST participated in various activities of inter-agency committees at the national level. The Project assisted in organizing the SWG-LIR meeting on June 10, 2013 where it presented two agenda items: (1) the study in the inconsistencies of incentives provided in national laws and their local applications and the draft template for updating the LIIC; and (2) the INVEST experience in helping partner cities improve investment planning and promotion. Technical support was also extended to USAID, through the COR who sits in the committee as one of the Co-Conveners representing the development partners. Through the its presentations, the Project shared learning that may be useful for DILG and other national government agencies in preparing policies and interventions that will support local reforms.

Another inter-agency committee, which was assisted by the Project, was the BPLS Oversight Committee, which held a meeting on June 10, 2013. The Project made two presentations during the meeting: (1) the learning from the international study tour; and (2) the Project experience in BPLS reforms in its partner cities.

The Project provided assistance to DTI in formulating the concept paper for the conduct of a workshop, which will formulate the agenda of the WG-GIC for 2013-2015. A meeting among the co-conveners, DTI and the International Finance Corporation (IFC), with USAID was organized to discuss the concept for the work planning workshop of WG-GIC on May 3, 2013. The workshop had to be postponed until after the implementation of the rationalization plan at the DTI in July.

For the subject quarter, INVEST endeavored to comply with its reportorial and project management responsibilities. It submitted its 6th Quarterly Report and subsequent monthly reports to USAID. It continued to monitor the progress of its planned activities both at the levels of Project Management Office (PMO) and nodal offices. It facilitated the request to USAID for the hiring of new Short-Term Technical Assistance (STTA) experts and sub-contractors for the conduct of activities and studies; likewise, the extension without additional cost of services of existing STTA experts and sub-contractors whose activities or studies are yet on-going.

Table 17 presents the specific accomplishments of the Project for the period April to June 2013.

**Table 17. Comparison of Planned Activities and Accomplishments
for the 7th Quarter under Component 3**

Outputs (from the Year 2 Work Plan)	Planned Activities for the 7th Quarter (from the Year 2 Work Plan)	Accomplishments for the 7th Quarter (April - June 2013)
Deliverable No. 1: Provision of Assistance in the Selection of the Target Cities		
<u>Output 1.1</u> Report on CDI Planning Workshops TCD:n/a Status: Completed	<ul style="list-style-type: none"> • Provision of assistance to USAID in the finalization of the CDI Action Plans of partner cities, specifically the portion on growth and investment generation • Assistance to USAID in organizing meetings with the City officials after elections 	<ul style="list-style-type: none"> • Finalized CDI Action Plans of partner cities. Reviews were conducted to ensure alignment of INVEST activities to the items included in the CDI Action Plans • Conducted preparatory activities to meetings between local officials and the USAID • Conducted collaboration meetings with COMPETE (May 2 and 17, 2013)
<u>Output 1.2</u> Selection Criteria and a Shortlist of Cities of the CDI TCD: July 31, 2013 Status: Ongoing	<ul style="list-style-type: none"> • Clear with USAID the indicators to be collected and the first class cities to be included in the study • Submit the data on the indicators to USAID 	<ul style="list-style-type: none"> • Submitted to USAID initial draft of indicators (in powerpoint format)
Deliverable No. 2: Enhanced Capacity to Measure the Economic Performance of Partner Cities Towards Competitiveness		
<u>Output 2.1</u> Recommendations for a Framework for Measuring Economic Performance and Competitiveness of Cities TCD: April 30, 2013 Status: Completed	<ul style="list-style-type: none"> • Finalization and submission of the results of the study to USAID • Initiation of discussions with NCC and DILG on possible assistance in processing the competitiveness indicators and in formulating the mechanics for the Seal of 	<ul style="list-style-type: none"> • Submitted final report submitted to USAID on May 1, 2013. • Requested USAID to re-hire STTA to provide assistance to NCC in computing the competitiveness indices • Met with DILG and NCC to discuss the Seal of Competitiveness

Outputs (from the Year 2 Work Plan)	Planned Activities for the 7th Quarter (from the Year 2 Work Plan)	Accomplishments for the 7th Quarter (April - June 2013)
	Competitiveness of DILG	
<u>Output 2.2</u> Setting up of an Economic and Competitiveness System in the CDI Cities TCD: September 15, 2013 Status: Ongoing	<ul style="list-style-type: none"> Commencement of discussions with the LEIPO on the collection of the data for the competitiveness indicators; prepare the SOW for the developing and eventually setting up of the system in the NERBAC and in the cities 	<ul style="list-style-type: none"> Prepared SOW for the establishment of linkage between NERBAC and the city system with the inclusion of competitiveness indicators Screened candidate STTA Expert
Deliverable No. 3: Support to Government Inter-Agency Committees on Investment and Business Registration		
<u>Output 3.1</u> Report on the Assistance Provided to the Relevant Inter-Agency Committees TCD: September 15, 2013 Status: Ongoing	<ul style="list-style-type: none"> Provision of assistance to the DTI in formulating the agenda for the Working Group on Growth and Investment Climate for 2013-2015, specifically in organizing a work planning workshop for the GIC members Provision of assistance to the DTI and DILG in formulating the work plan for the Sub-Working Group on Local Investment Reforms and the BPLS Oversight Committee based on the experiences of the Project 	<ul style="list-style-type: none"> Provided assistance to DTI in formulating the agenda for the Working Group on Growth and Investment Climate for 2013-2015, specifically in organizing a work planning workshop for the GIC members Provided assistance to DTI and DILG in formulating the agenda for the back-to-back meetings of the Sub-Working Group on Local Investment Reforms and the BPLS Oversight Committee held on June 10, 2013. Made four presentations to the two meetings held on June 10, 2013 (described above)
Deliverable No. 4: Formulation and Implementation of the Project Management Plan		
<u>Output 4.1:</u> Updated Monitoring and Evaluation Report TCD: n/a Status: Completed	<ul style="list-style-type: none"> Completed 	<ul style="list-style-type: none"> Awaiting feedback from USAID on the plan
<u>Output 2.</u> Quarterly Performance Monitoring Report TCD: n/a Status: Ongoing	<ul style="list-style-type: none"> Preparation of the Sixth Quarterly Performance Report Monitoring of Project Activities for the Preparation of the Seventh Quarterly Performance Report 	<ul style="list-style-type: none"> Submitted 6th Quarterly Performance Report to USAID on April 30, 2013. Revised 6th Quarterly Performance Report based on USAID comments and resubmitted the report on June 5, 2013 Conducted monitoring activities for the preparation of the Seventh Quarterly Performance Report
Deliverable No. 5: Formulation and Implementation of a Gender Action Plan		
<u>Output 1.</u> Updated Gender Plan	<ul style="list-style-type: none"> Implementation of the Gender Plan 	<ul style="list-style-type: none"> Implemented specific provisions of the Gender Plan

Outputs (from the Year 2 Work Plan)	Planned Activities for the 7th Quarter (from the Year 2 Work Plan)	Accomplishments for the 7th Quarter (April - June 2013)
TCD: n/a Status: Completed		
<u>Output 2.</u> Quarterly Report on Gender Activities Included in the Quarterly Reports TCD: n/a Status: Ongoing	" Inclusion of specific gender activities in the Seventh Quarterly Performance Report	" Included specific gender activities in the 7 th Quarterly Performance Report

b. Plans for the Next Quarter

For the period July to September 2013, INVEST will focus on the following: (a) continue providing assistance to USAID in CDI-related activities and events; (b) continue providing assistance to NCC in assessing the level of competitiveness of partner cities, and in applying the framework and indicators of local economic development and competitiveness at the regional level; (c) continue assisting DILG in designing and installing the Seal of Competitiveness as a major thrust of the Secretary of the Interior and Local Government; (d) continue assisting DTI and DILG on inter-agency related matters, particularly for the WG GIC, the SWG LIR and the Oversight Committee on BPLS; (e) put closure on outputs and deliverables that may be completed during the quarter; and (f) plan out and lay the foundation for the Year 3 (Option Year) of the Project. Table 18 presents the planned activities for Component 3 of the Project for the period July to September 2013.

Table 18. Planned Major Activities for the 8th Quarter under Component 3

Outputs (from the Year 2 Work Plan)	Planned Major Activities for the 8th Quarter (July - September 2013)
Deliverable No. 1: Provision of Assistance in the Selection of the Target Cities	
<u>Output 1.1</u> Report on CDI Planning Workshops	<ul style="list-style-type: none"> " COMPLETED " Provision of other forms of assistance to USAID related to CDI efforts " Submission to USAID reports on meetings and discussions conducted between local officials and USAID, as necessary
<u>Output 1.2</u> Selection Criteria and a Shortlist of Cities	<ul style="list-style-type: none"> " Submission to USAID the final set of data and the list of indicators
Deliverable No. 2: Enhanced Capacity to Measure the Economic Performance of Partner Cities Towards Competitiveness	
<u>Output 2.1</u> Recommendations for a Framework for Measuring Economic Performance and Competitiveness of Cities	<ul style="list-style-type: none"> " COMPLETED; " Anticipating USAID approval of the re-hiring of Alvin Ang; assistance to NCC in tabulating the submission of the competitiveness indicators and in compiling the results into an index " Public Presentation of the ranking of LGUs according to competitiveness
<u>Output 2.2</u> Setting up of an Economic and Competitiveness System in the CDI Cities	<ul style="list-style-type: none"> " Development of database for partner cities with the inclusion of NERBAC data requirements and the indicators of competitiveness " Hiring of subcontractors for the conduct of survey on local economic development and competitiveness in partner cities
Deliverable No. 3: Provision of Support to the Government's Inter-agency Committees	

Outputs (from the Year 2 Work Plan)	Planned Major Activities for the 8 th Quarter (July - September 2013)
on Investment and Business Registration	
<u>Output 3.1</u> Report on the Assistance Provided to the Relevant Inter-Agency Committees	<ul style="list-style-type: none"> • Provision of assistance to the WG-GIC, SWG-LIR and BPLS Oversight Committee • Presentation to inter-agency committees of relevant studies conducted by the Project
Deliverable No. 4: Formulation and Implementation of the Project Management Plan	
<u>Output 4.1:</u> Updated Monitoring and Evaluation Report	• COMPLETED; awaiting feedback from USAID for possible updating and revision
<u>Output 2.</u> Quarterly Performance Monitoring Report	<ul style="list-style-type: none"> • Preparation of the 8th Quarterly Performance Report • Conduct of regular monitoring of activities in preparation for the 8th Quarterly Performance Report
Deliverable No. 5: Formulation and Implementation of a Gender Action Plan	
<u>Output 1.</u> Updated Gender Plan	• COMPLETED; no planned activity for the quarter
<u>Output 2.</u> Quarterly Report on Gender Activities Included in the Quarterly Performance Reports	• Inclusion of specific gender activities in the Eighth Quarterly Performance Report

III.

ACCOMPLISHMENTS BY CITY

A. BATANGAS CITY

For the quarter ending June 2013, Batangas City implemented numerous activities with technical assistance from the Project. Interventions consisted of assistance in the updating of action plans on mainstreaming business registration and promoting investments, capacity building for the LEIPO and the BPLO, organization of learning visits to enhance the BPLS computerization of the city, conduct of workshops on inspection and preparatory work for the holding of a city business forum.

Despite the Project's intention to limit activities at the local level, there were a number of significant activities in Batangas City that signified the intent of the city to pursue investment-related reforms that the Project is pursuing. The most significant accomplishment for the quarter was the signing of Executive Order No. 8, series of 2013 on April 24, 2013 that adopted the Inspection Reform Action Plan. The Project also assisted in the reorganization of the office of the LEIPO aimed at strengthening its ability to liaise with private business groups.

1. Institutional Strengthening

Similar to the previous quarter, Institutional building for the 7th quarter still focused on the offices of the BPLO and the LEIPO.

a. Key Accomplishments

Provided Assistance to the BPLO on Data Gathering and Validation. The Project provided technical support to the BPLO, through the City Program Adviser (CPA) in defining critical data/information to be collected, determining the methodology for collection (given that the city was not yet automated), and validating the data/information collected. With the technical assistance to the BPLO, the office was able to conduct group discussions on the needed data set and their methodology. Significantly, these discussions led to the standardization of procedures for collecting data/information.

Proposed the Reorganization of the LEIPO. The Office of the LEIPO is an important institution that will promote investments and economic development. Unfortunately, the DILG Memorandum Circular on the creation of the LEIPO did not include the structure of the office but focused only on the functions of the LEIPO. To support the full operationalization of the office, the Project through its CPA assisted in setting-up three units: (i) Policy and Plan Review and Formulation; (ii) Enterprise Development and Investment Promotion; and (iii) Information, Education and Communication. The interim setup of the Office was more attuned to its mandate. Mentoring by the Project was done through the respective functions of each unit.

b. Planned Activities for the Next Quarter

The Project will continue to capacitate the BPLO and the LEIPO in the next quarter. The Project will be training the BPLO personnel and those from core departments/offices contributing to business registration on systems utilization (business registration) and business-friendly inspection procedures. As a follow-thru to the reorganization of the office of the LEIPO, the Project will endorse the final organizational structure of the office to the Human Resource Development Office to formalize the institution. This process will lead to the allocation of funds to hire qualified permanent LEIPO personnel in the next three years.

2. Streamlining of BPLS

The 7th quarter of the project focused on ground-level activities, which will facilitate the finalization of the city's streamlined business registration process.

a. Key Accomplishments

Updated the Batangas City Streamlining Business Registration Action Plan. Recognizing the need to firm up the streamlined business registration process of the city government, the Business Permits and Licensing Office updated its action plan, which will facilitate the institutionalization of the city government's business registration process. The action plan highlights the conduct of critical activities, e.g. developing the automated business registration system, conducting capacity building activities for business registration personnel, and simulating the final business registration process, among others. Notably, the updated action plan provided the basis for budget allocation for the realignment of the city government's budget for CY 2013, which was approved by the city Mayor.

Finalized Batangas City Inspection Reforms Action Plan. As an output of the INVEST Project Inspection Workshop conducted on April 2013, the city government finalized its Inspection Reforms Action Plan. The action plan highlights the creation of a Joint Inspection Team, which will facilitate the conduct of a business-friendly inspection system. Other activities in the action plan include the formulation of a unified inspection checklist, business-friendly inspection guidelines, and an inspection manual.

Approved an Executive Order supporting the implementation of the Batangas City Inspection Reforms Action Plan. Committed in promoting a business-friendly inspection system, the City Mayor signed Executive Order (EO) 8, series of 2013 on April 24, 2013, calling for the implementation of the Inspection Reforms Action Plan. The EO, which was prepared with technical assistance from the INVEST CPA, emphasized to concerned departments/offices to support the activities contained in the inspection reforms action plan covering the time frame of CY 2013 and first quarter of CY 2014.

Presented the Internal Assessment on the Operations of the BOSS. The City INVEST Project Technical Working Group (CIP-TWG) convened on April 2013 to discuss the internal assessment of the BOSS, i.e. its operational strengths and areas for improvement. The findings were critical in identifying reform areas for inclusion in the finalization of city's streamlined business permitting process. Through the meeting, the city officials agreed to further improve their process, which will be fully implemented on January 2014.

Conducted a Workshop on Inspection Reforms: Defining the Joint Inspection Team and Drafting the Unified Inspection Checklist. The city government, with technical assistance from the CPA, conducted a two-day workshop in *Pursuing Inspection Reforms* on May 8-9, 2013. The workshop was funded by the city government and involved all staff and inspectors of concerned departments/offices. The objective of the workshop was to define the direction of the city government in promoting a business-friendly inspection system. Significantly, the workshop defined the elements of the proposed Joint Inspection Teams, and outline of the Unified Inspection Checklist. The workshop was only one of the several city inspection workshops to be conducted. Succeeding workshops will define the policy and guidelines for a business-friendly inspection system.

Drafted the Information System Strategic Plan (ISSP) CY2013 – CY2015 of the Batangas City Government. Recognizing the significance of utilizing technology in making procedures more efficient, the city government already drafted its ISSP, which was one of the recommendations of the Project. The ISSP contains the inventory of the city government's current technology (e.g. software, hardware, and systems among others), defines the gaps and needs, and presents the vision in information, communication and technology. Notably, the core component of the city government's ISSP is on the automation of business registration in CY 2013.

Conducted PBR Benchmarking at Valenzuela City. The city government, represented by the BPLO and representatives from the Information Technology Services Division (ITSD) went to Valenzuela City on June 26, 2013 to observe the city's connectivity to the PBR. The learning visit was a follow-through activity on the city government's commitment to be connected to the current PBR on July 2013. Significantly, the INVEST Project through its CPA was able to facilitate the request to the DTI-PBR during the PBR Workshop at Makati on May 28-29, 2013.

Conducted a Focused Group Discussion on the Linkage of the BPLS to the BFP System. Committed to promote efficiency in processing and issuing business permits, the city government presented its proposal to the BFP to connect their respective systems on June 17, 2013. Apart from connecting the systems to automatically extract data/information about the business registrant, the city government also proposed to the BFP to collect and remit payments through the City Treasurer's Office. The BFP representatives welcomed the proposal of the city government and requested that this be formalized with the DILG. One of the agreements during the meeting was the orientation of the BFP on the new system that it is developing.

Visited the BFP IV-A for Systems Orientation. Following on the agreement during a meeting with the BFP on June 17, 2013, the ITSD of the City Mayor's Office and the city government's ICT Consultant went to the Regional Office of the BFP at Camp Vicente Lim on June 27, 2013. The visit intended to provide information to the city government about the new system, which will be connected, to the BPLS. Given the visit, the ITSD and ICT Consultant were able to define the track for linking the BPLS with the BFP's system.

Participated in the PBR Workshop Organized by the DTI and INVEST. The city government sent its Business Permits and Licensing Officer and Information Technology Officer to the PBR Workshop organized by the DTI and INVEST Project on May 28-29. An important outcome of the city representatives' participation was their commitment to connect the Business Permits and Licensing System (BPLS) to the current PBR by July 2013.

b. Planned Activities for the Next Quarter

The 8th quarter will focus on sustaining the momentum of the city government towards business registration reforms based on the previous accomplishments during the last quarter. Highlights of planned activities for the next quarter include the monitoring of the implementation of the action plans on streamlining business registration and inspection reforms. The former includes the automation of business registration, while the latter seeks to create a new policy environment for conducting business-related inspections. Successful implementation of the action plans is critical in the institutionalization of the reforms, which will be operationalized by January 2014. The BOSS will also be redesigned during the quarter according to the finalized business registration process.

Alongside the effort in streamlining business registration through automation, the Project will focus on the streamlining of procedures in the issuance of building and occupancy permits. These pre-business registration activities highlight the overall performance of the city government from the perspective of business owners and are part of the end-to-end process of licensing and permitting.

The succeeding quarter will also focus on the finalization and approval of the ISSP. The ISSP is due for submission to the ICT Office of the DOST for comments, and scheduled for endorsement to the *Sanggunian Panlungsod (SP)* for approval by August 2013. The SP approval will ensure budget appropriation for the full implementation of the ISSP in the next two years.

The 8th quarter also marks the period that will propel the city to implement a business-friendly inspection policy which will involve having a functional Joint Inspection Team, unified inspection checklist, and business-friendly inspection guidelines.

Recognizing the importance of legislation in reform processing, the Project will propose the enactment of a city ordinance on the streamlined business registration process, and business-friendly inspection process. Having the ordinances will ensure sustainability of initiatives even after the life of the INVEST Project.

3. Enhancing Investment Planning and Promotion

The Project sustained its efforts to provide technical support to the LEIPO so that it can better perform its role of promoting investments. The Project also reached out to the business sector and encouraged them to take an active role in investment promotion activities, including organizing the City Business Forum.

a. Key Accomplishments

Updated the Action Plan of the Local Economic and Investment Promotion Office. Considering additional activities needed in promoting investments, the LEIPO action plan was updated for CY 2013. Among important activities included in the action plan are the conduct of the city business forum and BPLS forum disseminating the streamlined business registration process of the city government, the updating of the Citizen's Charter, the enhancement of the LIIC, and enhancement of the Local Revenue Code (LRC). Given the action plan, the city government allotted a budget for its implementation. The LEIPO will take the lead role in overseeing the implementation of the activities with technical assistance from the CPA.

Conducted Scoping Activities for the City Business Forum. Noting that there is vast opportunity in promoting investments related to agriculture, the CPA with the LEIPO staff held meetings with officials of the Office of the City Veterinary and Agricultural Services (OCVAS) and President of the Hog Industry, where the concept for the city business forum was introduced. During the two separate meetings, the respective parties were requested to identify facilities, financing program, and business ventures, which will help the agricultural sector.

Drafted the PPP Project Concept Note on the Integrated Transport Terminal. As a follow-through to the PPP Training, the CPA provided technical assistance to the city government in developing the project concept note for the Integrated Transport Terminal. In the course of developing the project concept note, the concerned departments were convened by the CPA to elicit their comments and commitment. The draft project concept note was already submitted to the City Mayor's Office for approval.

Organized the Meeting of USAID with Business Groups. The USAID and INVESTmet representatives of the business groups in Batangas City on June 11, 2013 at the Pontefino Hotel to discuss the concept of the city business forum scheduled on the 4th quarter of the year. Given the agenda of the meeting, the business group requested the Project to request the city government to present its vision for economic growth and development and to define the priority sectors to be promoted. Significantly, through the meeting, the INVEST Project was able to gauge the level of support of the business group in conducting the city business forum, which became the basis for defining succeeding preparatory activities at Batangas City.

b. Planned Activities for the Next Quarter

The succeeding quarter will primarily focus on the preparations for the city business forum. In response to the request of the business sector, the Project will organize a forum to discuss the vision and programs of the city government, in addition to the presentation of the third party assessment of the City's business permitting process during the 2013 business renewal period. Other Project activities planned for the quarter for the CBF include the conduct of sector FGDs, the review of the city's LIIC, the updating of the city's investment plan, the preparation of the city's profile and project briefs for investors and the setting up of an investment promotion center.

The Project will also continue some of the initiatives of the previous quarter. Specifically, the Project will follow-up the status of the PPP Project Concept Note, which will be submitted to the PPP Center. Since it lacks experience in implementing PPP projects, the city government will be requesting the PPP Center for an orientation on PPP for the Executive and Legislative branches of the city government, organization of the PPP Committee and the preparation of the pre-feasibility study on the integrated transport terminal and the PPP bid documents.

There will also be a follow-up on the initiative of the CTI-PFAN given the expression of interest of participants to the Forum on Renewable Energy on May 2013. The project concept papers to be generated by the technical assistance of CTI-PFAN may be utilized by the city government in its city business forum with the USAID.

4. Building Partnerships

For the quarter, partnership building focused more on the promotion of investments and capacity building. Many of the partnership building activities are related to the organization of the CBF, which was discussed in the previous section. The Project also interfaced the LEIPO with the CTI-PFAN and Atoka Foundation. The Project CPA was also instrumental in organizing the courtesy call of USAID to the newly-elected Mayor and the visit of Undersecretary Maglaya of DTI, who co-chairs the BPLS Oversight Committee.

a. Key Accomplishments

Organized the Courtesy Call of USAID to the Newly Elected Mayor of Batangas City. During the last week of June 2013, the INVEST Project facilitated the conduct of the USAID courtesy call to the newly elected City Mayor. The meeting was organized with the presence of the incumbent and the Executive Assistant to the City Mayor. The meeting meant to provide an overview of the Project's thrust in succeeding months (for streamlining business registration and investment promotion) to the new leadership. Furthermore, it allowed the USAID and Project to be informed about the new leadership's priorities in the next three years.

Hosted the Visit of the DTI Undersecretary Zenaida Maglaya at the BOSS. On May 9, 2013 in the afternoon, the Batangas City Government through its Local Economic and Investment Promotion Officer (LEIPO), Business Permits and Licensing Officer, and CPA oriented Undersecretary Zenaida Maglaya about the operations of the BOSS. She was informed that the BOSS is the facility of the city government, which demonstrates the streamlined business registration process. Undersecretary Maglaya was also briefed about the business registration reforms of the city government and the corresponding activities implemented by the city under the INVEST Project. More importantly, the city government also shared the future track of the city government, which will be felt by business groups on January 2014.

Introduction of Atikha to the City Government. Following the advice of the Project's alternate COR, the CPA introduced the Atikha Foundation to the city government (i.e. to the Executive Assistant to the Mayor and LEIPO). The Atikha Foundation is a Non-Government Organization is currently implementing its PinoyWise Movement, which taps Overseas Filipino Workers for investments. The city government is interested in pursuing a partnership with the Atikha, which will benefit the LEIPO since the organization is also skilled in preparing investment portfolio and organizing investment missions abroad.

Organized the Meeting of the CTI-PFAN with the Hog and Poultry Raisers of Batangas City. The CPA mentored the LEIPO on how to organize a meeting with hog and poultry raisers of Batangas City requested by the CTI-PFAN. The meeting was successfully held on April 18, 2013, which was funded by CTI-PFAN. Attendees of the meeting came from the cooperatives, hog and poultry farms, and Batangas Province Chamber of Commerce and Industry (BPCCI).

Organized the City Delegation for the CTI-PFAN Forum on Renewable Energy: Business Opportunities for Livestock Farms. Supporting another project of the USAID with the CTI-PFAN, the CPA mentored the LEIPO in identifying and organizing the participants for the said forum which was held at the Edsa Shangri-la Hotel in Mandaluyong City on May 17, 2013. The forum meant to introduce business models using renewable energy from hog and poultry wastes, which is potentially possible for Batangas City.

b. Planned Activities for the Next Quarter

A series of confidence building activities will be implemented with the local business groups and city government, which are aimed at strengthening the partnership between both sectors in preparation for the city business forum. For instance, one of the Project's priority activities for the quarter will be the organization of the Batangas City Business Club or Chamber. This aggrupation of business groups in the city will pave the way for forming a preparatory committee that will assist the Project and the City government in organizing the CBF.

B. ILOILO CITY

In the 7th quarter, the project focused on strengthening the groups that will implement the activities of the project at the city level, namely the LEIPO, the BPLS-TWG and the Organizing Committee (OC) for the City Business Forum (CBF). While some city officials were busy with the elections, the Project assisted the city staff in reviewing the BPLS action plans based on the results of the third party assessment, drafting the CBF concept paper and in engaging individuals and business groups for the city business forum.

1. Institutional Strengthening

The Project worked closely with the city government to strengthen the organizational mechanisms needed to ensure implementation of the project components.

a. Key Accomplishments

Appointment of the City LEIPO. The Mayor signed EO No. 20 on April 30, 2013 officially appointing Mr. Francis Cruz as the new LEIPO. While Mr. Cruz has actually been the designated LEIPO since the start of the Project, the Mayor has also been mentioning Mr. Felix Tiu, the Chair of the Iloilo City Trade and Investment Board, as the LEIPO. The EO puts to rest the confusion on who the city LEIPO really is. With this action of the Mayor, the LEIPO received a fresh mandate to oversee the implementation of the BPLS streamlining plan and the city business forum plan.

Reconstitution of the BPLS Technical Working Group and Issuance of the BPLS Operational Guidelines While the City has been implementing BPLS reforms since 2012, these have not been formalized by the city government. The Mayor signed EO 21 on April 30, 2013 forming a new BPLS Technical Working Group to implement the BPLS reforms and which also issued the operational guidelines for processing business permits. This issuance removes the uncertainty of some department offices on their roles in implementing BPLS reforms.

b. Planned Activities for the Next Quarter

The initial results of the third party assessment on the 2013 business permitting processes in Iloilo City show its non-compliance with the service standards of the government. Hence, there may be a need to do process re-engineering and drastic streamlining of the city's BPLS. The newly designated LEIPO is expected to take the lead in organizing the regular meetings of the BPLS TWG in order to craft a new action plan for the streamlining of the BPLS of Iloilo City.

In the next quarter, the Project will assist the city in identifying the institutional support needed to implement a restructured and automated BPLS. It is also possible that the BPLS TWG will be reviewed and revised by the re-elected Mayor. To ensure that Iloilo City will be able to catch-up with the other INVEST cities, the Project, with the LEIPO, will meet with the Mayor on a monthly basis to discuss the progress of the project.

2. Streamlining of BPLS

The 7th quarter activities of the Project in the city focused on validating the results of the third-party assessment of BPLS reforms undertaken during the 2013 renewal period, given the need to stay out of the political campaigns during the period. The Project however, continued the technical support to the LEIPO in addressing noted gaps and weaknesses in the reform initiatives in Iloilo City..

a. Key Accomplishments

Assisted UP Visayas in Finalizing the Third-Party Assessment of the BPLS in Iloilo City. During this quarter, the first draft of the third party assessment of the University of the Philippines in the Visayas (UPV) was presented. To ensure the reliability of the findings, the CPA was requested to review and comment on the report. Meetings with UPV together with the CPA and the COP were conducted to guide them in making a more accurate, reliable and well-written report. Assistance was also provided to the UPV in validating their initial findings with the city officials to finalize their report.

Initiated Discussions in Inspection Reforms. Meetings with the city officials involved in inspection were conducted to discuss the details of the inspection action plan they crafted. Based on the discussions, the initial action plan did not contain actions that are important in addressing inspection issues and thus a better action plan must be crafted and implemented in the next quarter.

Participated in the PBR Workshop Organized by DTI and INVEST. The city LEIPO and BPLO representative also attended the Next Generation PBR workshop sponsored by DTI and INVEST. A separate meeting with the DBP was held right after the workshop wherein the LEIPO explored possible partnership with the bank on over-the-counter payment as well as on-line payment.

Prepared Project Presentations to the Mayor. The CPA met with the LEIPO to draft recommendations and propose BPLS actions to be included in the presentation to the Mayor. The presentations to the Mayor are important in view of the issues identified in the third-party assessment on the BPLS. Relatedly, the technical support provided to the LEIPO also sought to capacitate the LEIPO.

b. Planned Activities for the Next Quarter

Planned activities for the 8th quarter include the presentation of the third party assessment report to the Mayor, to the BPLS TWG, to the DTI and DILG BPLS point persons in the city, province and region, and to key private sector representatives. After the presentations, planning sessions will be conducted to craft a new action plan, which will be supported by a signed EO that will ensure its implementation. The objective of this plan is not just for compliance of the JMC BPLS standards but also for the city to be a trailblazer in BPLS reforms by 2014. To achieve this, the city will fully implement its process re-engineering and automation plan. INVEST will assist them

in crafting the action plan. Part of this is a study tour in selected cities that are into on-line registration, application, submission and payment.

Another key action is the regular monthly meetings with the mayor and the appointment of an Executive Assistant to monitor progress of the action plan and address implementation issues. Connectivity to the PBR will also be facilitated through the signing of the letter of intent to the DTI. Finally, an inspection assessment and planning workshop will be conducted by the LEIPO for immediate implementation. A third party assessment will be conducted on the latter part of the quarter.

3. Enhancing Investment Planning and Promotion

The Project worked closely with the City Government and the private sector in setting up an effective Organizing Committee for the City Business Forum.

a. Key Accomplishments

Conducted Exploratory Meeting with Private Sector Representatives. An exploratory meeting with the city officials and representatives of both IBC-ILED and ICTIPB was conducted in May 3, 2013 in Lansaka Hotel in Makati City. The concept of CBF was discussed in the context of Iloilo City as an “APEC City” and in consideration of the upcoming events of MIGEDC and the BOI. INVEST also informed the group of the initiatives to develop partnership with IRO, DBP, and PCCI. The group agreed to work together and meet again in Iloilo City to plan the details of the event.

Organized the First Meeting of the Working Group for the City Business Forum. The first organizational meeting was held June 5, 2013 at Iloilo Business Hotel. The meeting was attended by the city LEIPO and his associate, the CPDO, the Chair, Vice-chair and a board member for academic affairs of the ICTIPB, the DTI Provincial Director and the IBC-ILED Executive Director. The concept of the city business forum was presented by the Project. An initial action plan was crafted during this meeting and the next working group meeting was scheduled June 11, 2013. During this meeting, the group crafted the proposed working structure for presentation and approval of the mayor and the private sector organizations. Follow up meetings with the LGSP-LED, IBC-ILED and ICTIPB were conducted.

Conducted Meetings to Generate Support for the City Business Forum. USAID and INVEST led these presentations to facilitate buy-in and generate support from the government and private organizations. The first presentation was for the ILED in June 8, 2013 wherein USAID presented its programs and the CBF concept. The next presentation was with the ICTIPB in June 11, 2013 at Eon Centennial Hotel. In both meetings the mayor was present. All agreed to support the CBF and hold separate meetings to discuss their levels of engagement. Key activities that needed to be conducted in preparation for the CBF were the conduct of investment programming and the development of project briefs and promotional collaterals.

Provided Technical Assistance to LEIPO in Investment Promotion Activities. INVEST assisted the city LEIPO in coming up with its promotional materials by providing comments and suggestions to the draft investment portfolio. Together with the DTI, the Project, through its CPA also assisted the ICTIPB and LEIPO in the meeting with the Embassy of Malaysia and other investors. Through INVEST encouragement to the ICTIPB and LEIPO, the City Mayor already provided Php2M to construct the Investment Promotion Center (IPC) in Plaza Libertad. This is expected to be completed by September 2013. The LEIPO, with the assistance of the CPA, met

with the Megaworld and a potential investor to encourage the latter to invest in the city. Megaworld will be setting up its own IPC and the LEIPO is negotiating for a city desk within that IPC to facilitate investments not just for Megaworld but also for other investors in the city. The Mayor, LEIPO and other officials, with the help of the Provincial Office of DTI agreed to work together to generate investments in the city.

c. Planned Activities for the Next Quarter

A more detailed action plan for the CBF will be developed in the next quarter. This will involve series of meetings with INVEST, the city government and the private sector. Preparatory activities such as investment programming and collateral development will be completed in the next quarter. Details in the operationalization of the IPC will be crafted by the LEIPO and will be presented to the Mayor. This will provide the needed services for the new investors.

The locally based working group for the City Business Forum will regularly meet to firm up the CBF plan and start implementation. This working group will be guided by the CBP Organizing Committee to be formally set up in the next quarter. The committee is envisioned to consist of representatives from the Iloilo City government, IBC, ILED, ICTIPB, LGSP-LED, MIGEDC.

4. Building Partnerships

The meetings, which have been organized in relation to the CBF, are venues for deepening partnerships between the city government and the local business groups. The local business sector is quite organized in Iloilo City. The challenge is to engage these different business groups to support the business forum, on the one hand, and the other business-related reforms of the city government. The Project continued the engagement process during the quarter as the election activities slowed down regulatory reforms that could be introduced in the city.

a. Key Accomplishments

Convened the Preparatory Meeting for the City Business Forum. In consultation with the local government and the various private sector organizations in Iloilo, the Project, through its City Program Adviser, convened the possible members of the organizing committee for the CBF. The Project presented a draft proposal to key stakeholders to encourage them to engage in the activity. Individual meetings with the Mayor of Iloilo City, the Chairperson of the Iloilo City Trade and Promotion Board, the Executive Director of the Iloilo Business Club and Iloilo Economic Development Foundation Inc., the program officer of LGSP-LED in Iloilo City, the Provincial Director of the Department of Trade and Industry, and the LEIPO were conducted to firm up the proposal. This led to the organization of a working group for the City Business Forum that met twice in June 2013 and crafted the initial action plan, its organizational structure and working relationship. These will be presented to their respective organizations for comments and suggestions and for joint approval of all concerned parties.

Explored Partnership with Private Sector Groups. USAID and INVEST attended the ILED Board meeting to present the on-going and future programs in the city and province. The meeting is expected to create new partnership with ILED particularly in the conduct of the CBF.

Participated in Investment-Related Activities. The Project, through the CPA also attended the events conducted by the DTI in the city and by the city officials. These are the DTI Seminar on Doing Business in Free Trade Areas (May 21, 2013), NCC FGD on Satisfaction Survey (May

22, 2013), Meeting with the Marketing Officer of the Embassy of Malaysia (May 21, 2013) and Meeting with Megaworld VP and associates (June 18-19, 2013).

Support to other USAID Initiatives. The Project supported the conduct of the PBED-Braintrust Scenario Building workshop on April 15-16, 2013 and the academe and industry FGDs on April 20-21, 2013. This culminated in a lunch fellowship meeting with the Mayor and the ICTIPB at Eon Centennial Hotel.

Organized Meetings for USAID. The Project also organized meetings with the Mayor, ICTIPB and ILED for the USAID. This was meant to remind the mayor of its partnership with the USAID and the city's commitments to support its projects.

b. Planned Activities for the Next Quarter

The Project is expected to accelerate partnership meetings with stakeholders as the preparations for the CBF firm up. The Project will be engaging ILED to lead the CBF in partnership with INVEST, the other business groups and development partners. In preparation for the investment programming activity, FGDs on agriculture and fishery sectors, the education sector and the APEC will be conducted by INVEST in partnership with the private sector and the city government.

C. CAGAYAN DE ORO CITY

The 2013 local elections and the change of the local chief executive affected the pace of the reforms in BPLS and the preparations for the City Business Forum. Among the partner cities, it was the City of Cagayan de Oro, which experienced a major change in leadership as the previous and incumbent Mayors belonged to opposing parties. The change proved to be a major challenge for the implementation of INVEST in the city. Fortunately, the City Program Adviser was able to work closely with the new Mayor—thereby facilitating the transition.

In the weeks after the election, the activities of the City were refocused to organizational matters. The Project gave a preliminary briefing for the new City Mayor on INVEST and the Cities Development Initiative. The Project also arranged a courtesy call of the USAID with the new City Mayor.

The Project, through the City Program Adviser, assisted in drafting a new Executive Order that will reconstitute the INVEST Project Management Committee and its support structure, the Investment Promotion Center. The work plan for the City Business Forum was redirected towards project generation for the CBF business matching which mainly involved the private sector groups and the national agencies. Six focused group discussions (FGDs) were conducted in May and June, which resulted in at least two shortlisted projects per sector and the updating of the sector profile. The tasks that needed the support and involvement of the city government, such as the preparation of promotional collaterals, will be undertaken upon the assumption of the new administration.

1. Institutional Strengthening

In anticipation of a drastic reorganization at City Hall, consultations with the Mayor-elect were conducted to facilitate the early issuance of an executive order to manage the implementation of INVEST Project in the city. The Mayor agreed to take a direct hand in the INVEST Project and Chair the Mancom (but he wanted a co-chair from the business sector). To complement the business sector, the Chairman of a CSO that is into peace and development, Balay Mindanaw, will be the Vice-chair.

The city's LEIPO also decided to terminate her contract as development planning consultant and LEIPO of CDO. Fortunately, the proposed Co-chair is familiar with the project having attended the LEIPO training in Cebu and can ably undertake the responsibilities of a LEIPO with the assistance of INVEST.

a. Key Accomplishments

Assisted in Identification of Members of the Reconstituted INVEST Project Management Committee. The Project, through the City Program Adviser, provided inputs to the Mayor on the reconstitution of the INVEST Project Management Committee and in the identification of possible members, especially those from the business, academe, and CSO sectors

Coordinated with Incoming City Administrator on the Relocation of the INVEST Office. The working space for the Project was used by the incoming Mayor as his office. Thus, the Project coordinated with the incoming City Administrator for a new location for the Project Office in City Hall and for the assignment of personnel to the Project.

b. Planned Activities for the Next Quarter

In the 8th quarter, the Project will work for the signing of an EO creating the INVEST Project Management Committee and its support structure. The said EO is important to formalize the support of the new Administration to the Project and to establish the organizational responsibility for the implementation of the Project at the City level. Thereafter, the Project will convene the first meeting of the INVEST Project Management Committee so that the group can immediately work on urgent matters. The Project will also provide support for the setting up of the Investment Promotions Center in City Hall.

2. Streamlining of BPLS

The Project worked closely with the City to sustain the BPLS reforms and to prepare for the implementation of inspection reforms.

a. Key Accomplishments

Coordinated with CUREXO. The City Program Adviser coordination with CUREXO for a common understanding of the terms used in the JMCon BPLS Standards and a clear process table which will serve as inputs to the action planning for the future BPLS.

Clarified Issues Pertaining to Inspection Reforms. The Project clarified the action steps and the local constraints to efficient and effective inspection through one-on-one meetings with the inspectors of each regulatory office, except the sanitary inspectors who were all involved in the

barangay activity almost daily. This is to prepare for a draft Executive Order incorporating the proposed inspection reforms and a budget request for 2014. Despite the enhancement of the inspection action plan in March of the previous quarter, the action steps could not be undertaken because all the departments led by their respective heads were engaged in a twice weekly activity called people-to-people program that provided total delivery of barangay level services.

b. Planned Activities for the Next Quarter

In the 8th quarter, the Project will seek a review, enhancement and approval of the BPLS action plans for BOSS, automation and business-friendly inspection. This is important in view of the new administration. The Project will also conduct a workshop on the ISSP formulation for the city.

3. Enhancing Investment Planning and Promotion

The Project was able to obtain agreement on the objectives and concept of the City Business Forum with private sector and government stakeholders. The Project organized a group called CBF Cooperators (consisting of DTI, DOST, Oro Chamber, and Promote CDO) in order to act as the driver of CBF preparatory work.

a. Key Accomplishments

Prepared the Work Plan for the CBF. The work plan for CBF provided schedules and tasks in five major areas: (i) preparation of promotional materials;(ii) project generation for business matching;(iii) updating of CDO investment incentives code;(iv) program and invitation;and (v) logistics.

Conducted Focus Group Discussions on Investment Areas. As inputs for the preparation of sectoral overview and project profiles for the city's priority sectors, the Project assisted in the conduct of five FGDs on (i) agribusiness, specifically livestock & poultry and fruits & vegetables; (ii) tourism; (iii) logistics; and (iv) ICT. The FGD resulted in the short-listing of projects for business matching and updating of sector profiles.

b. Planned Activities for the Next Quarter

In the next quarter, the Project will work for the organization of the CBF Steering Committee and working committees. The Project will also commence data gathering and preparation of project profiles for business matching.

As part of resource mobilization for the CBF, the Project will seek the approval of a city counterpart budget for the City Business Forum. Other activities needed for a successful CBF will also be pursued, such as the preparation of promotional collaterals and advocacy and enactment of new Local Investment Incentives Code.

4. Building Partnerships

As a preparatory activity for the City Business Forum, the Project, togetherwith the Department of Trade and Industry – Region 10 and the Board of Investments CDO Extension Office involved the sectoral associations in FGDs that had three objectives: (a) engagement of the sectoral associations in the City Business Forum; (b) updating of the sectoral profiles; and (c)

identification of projects for business matching. The relevant national agencies provided the preliminary sector profiles that were presented to the participants for validation.

a. Key Accomplishments

Generated Convergence of Government Assistance. The Project coordinated with DOST, DTI and the Department of Agriculture so that the programs of these agencies could be focused on priority areas, such as the accreditation for a Triple A dressing plant which is a requirement for the export of chicken.

Engaged National Government (NG) agencies and the Academe. The Project engaged the relevant national agencies (DTI, DOST, DOT, DA) and academe (Capitol University, Liceo University, COC-Phineas and Mindanao University for Science and Technology) in the City Business Forum

Organized the Courtesy Call of INVEST to the Newly-elected Mayor The COP conducted a preliminary briefing on CDI for the mayor-elect to initiate the arrangements for the USAID courtesy call and the required organizational activities of INVEST under the incoming administration.

b. Planned Activities for the Next Quarter

In the 8th Quarter, the Project will institutionalize the involvement of academe and CSO through the Management Committee. The Project will also conduct coordination meetings to follow-through the sectorial projects identified in the FGDs.

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IV. GENDER AND DEVELOPMENT

As the INVEST Project promotes sustainable and inclusive economic growth by improving the business environment in the target cities, the project consciously supports the advocacy to provide equal opportunities for both men and women to participate in formulating the development agenda for their localities.

Realizing the need to incorporate gender perspectives in project activities, a gender and development action plan (GAP) was formulated initially in November 2011, and was revisited in January 2013 based on the guidelines of the USAID. The plan aims to:

- (1) build the capacities of project personnel to promote gender equality and integrate GAD in their respective responsibilities and activities;
- (2) integrate gender equality concerns in the project workplan and monitoring and evaluation system; and
- (3) provide equal opportunities for men and women to avail of capacity development programs supported by the project.

A. ACCOMPLISHMENTS

Given these objectives, the accomplishments of the project for the quarter are as follows, using as basis the activities identified in the updated gender action plan:

1. Included gender indicators in the Monitoring and Evaluation system of INVEST based on USAID guidelines

Gender indicators were already integrated in the updated M&E plan of the project, which was submitted in January 2013, and in the Performance Indicator Reference Sheets (PIRS) section of the aforementioned document.

INVEST has started collecting information on the businesses operating in the partner cities to establish the gender profile of the business applicants. The study aims to analyze the number of female-owned businesses and the trends between male- and female- owned businesses. The study is expected to be completed within the following quarter.

2. Monitored female/male participation in streamlining business registration processes and investment promotion efforts

During the quarter, INVEST held a workshop to concretize the roadmap for improving the Philippine Business Registry. A total of 55 participants attended the said workshop; of which, almost half (26) were female.

3. Collected and analyzed relevant sex-disaggregated data from the activities of the Project

INVEST gathered and processed the customer satisfaction survey questionnaires based on the responses of male and female respondents. Results of which will form part of the Integrated BPLS assessment report, which will be submitted in the following quarter.

B. PLANS FOR NEXT QUARTER

For the next Quarter, the INVEST project plans to undertake the following activities in relation to gender and development:

1. Monitor female and male participation in the workshops and activities of the project:
 - a. Seminar-Training on Anti Red Tape Act – Report Card Survey
 - b. *Kapihan sa Batangas*: Forum on Economic Reforms and Opportunities
 - c. Local Study Tour for Iloilo City Delegation and Representatives of UPV – College of Management
 - d. 1st Regional Competitiveness Council: Introducing the Cities/Municipalities Competitiveness Index
2. Analyse relevant sex-disaggregated information in surveys commissioned by the project:
 - a. Exit Interview of Business Applicants during the Renewal Period
 - b. Client Satisfaction cum Competitiveness Survey
3. Consider the selection of female business owners in the sampling design of the Client Satisfaction cum Competitiveness Survey; and
4. Submit a report on the gender profile of business applicants in the partner cities.

SUCCESS STORY

Moving Forward to the Next Generation Philippine Business Registry: The PBR TWG Workshop

The recent upgrades in the investment rating of the Philippines led to expectations that there will be a lot of investor interest in the Philippines. But one of the constraints to investments into the country is the perceived high cost and tedious procedures in setting up a business in the country. Hence, the Department of Trade and Industry is currently reviewing the Philippine Business Registry (PBR), a web-based portal for business processing by government agencies. The objective of the review is to streamline the business application process and make it easier for investors to process their business registration requirements.



To support this effort, INVEST organized on March 18, 2013 a High Level Roundtable Discussion (HLRTD) on the Next Generation PBR, which was chaired by the DTI Secretary and attended by the heads of the partner agencies of DTI involved in the PBR. The HLRTD established the PBR Roadmap which was agreed upon by the Partner Agencies.



As a follow-up activity to the High Level Meeting, INVEST organized a technical-level workshop to translate in operational terms the agreements made during that meeting. The two-day workshop had the following objectives: (1) to level understanding on the vision for the next generation PBR from the perspective of the applicant and the partner agencies; (2) to forge consensus on the design specifications of the next generation PBR consistent with the vision for the PBR, e.g. features and functionality, requirements and service levels; (3) to formulate the

Implementation requirements for the next generation PBR, e.g. process alignment, policy changes roles and responsibilities of each partner agency, institutional support and advocacy plan and schedule of activities; and (4) to foster a stronger and more productive working relationship.

The TWG workshop was held on March 28 and 29, 2013 at the St. Giles Hotel in Makati City. The participants to the Workshop came from the seven partner agencies of DTI e.g. SEC, CDA, BIR, SSS, Philhealth, Pag-IBIG and the cities of Batangas, Iloilo, and Cagayan de Oro.